

**Open Society Institute**



**Guide to Business Planning  
for Converting  
a Subscription-based Journal  
to Open Access**

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The series of OSI guides to assist journal developers and publishers consists of three separate but complementary publications.

This volume is the

- *Guide to Business Planning for Converting a Subscription-based Journal to Open Access (Edition 3)*

There is also the

- *Guide to Business Planning for Launching a New Open Access Journal (Edition 2)*

and the

- *Model Business Plan: A Supplemental Guide for Open Access Journal Developers & Publishers (Edition 1)*

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## Section I: INTRODUCTION

### I-A. About This Publication

This Guide has been published by the Open Society Institute (OSI) to encourage and assist the publisher of an existing subscription-based journal, in any field of science and scholarship, convert the journal to an online Open Access model that provides for free availability of research papers. It provides a good starting point for those contemplating the transformation of an established journal to Open Access. Additionally, publishers of existing Open Access journals that may be operating without a formal business plan can use this Guide to identify business models to ensure their journal's long-term economic sustainability.

While other business planning aids are readily available (for example, see Appendix III-B. Web Resources for Journal Publishers), this is the first guide to business planning specifically for Open Access journals. The focus here is on how to plan for converting an existing fee-based scholarly journal to a business model that sustains free access to the research material on an ongoing basis. Typically, Open Access alternatives to subscription-based journals are published by educational and nonprofit entities such as universities, libraries, learned and professional societies, consortia and associations, and independent nonprofit corporations. Increasingly, however, for-profit publishers are recognizing the potential role of integrating Open Access models into their businesses, and this Guide may serve their interests as well. Additionally, it may also be useful to potential grantors or other financial supporters when evaluating proposals or grant requests and business plans for Open Access initiatives.

For the purposes of this document, we use the definition of "Open Access" promulgated by the Budapest Open Access Initiative (BOAI).<sup>1</sup> The BOAI defines Open Access to scientific and scholarly literature to be:

...its free availability on the public Internet, permitting any users to read, download, copy, distribute, print, search, or link to the full texts of (peer-reviewed or pre-print) articles, crawl them for indexing, pass them as data to software, or use them for any other lawful purpose, without financial, legal, or technical barriers other than those inseparable from gaining access to the Internet itself. The only constraint on reproduction and distribution, and the only role for copyright in this domain, should be to give authors control over the integrity of their work and the right to be properly acknowledged and cited...

Additional information about Open Access and the BOAI can be found in the Appendices and on the BOAI web site.<sup>2</sup>

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<sup>1</sup> The Budapest Open Access Initiative (BOAI), promulgated February 14, 2002, aims to accelerate progress in the international effort to make research articles in all academic fields freely available on the Internet. The BOAI arises from a meeting convened in Budapest in December 2001 by the Open Society Institute (OSI). For the full text of the initiative, see: <http://www.soros.org/openaccess>.

<sup>2</sup> See: <http://www.soros.org/openaccess> and Appendices III-D and III-E.

## **I-B. Contextual Introduction: Open Access Benefits and Challenges**

The Open Access movement comprises many complementary initiatives, including digital scholarly journals, discipline-specific e-print servers, institutional repositories, and author self-archiving. While these initiatives vary in intent, scope, and implementation, they all support the same concept: that scholarly research should serve the interests of the scholars themselves, and that those interests are best served by the broadest access to the largest body of high-quality research.

### **Subscription-based Models: The Changing Market**

Open Access proponents have presented both philosophical and pragmatic arguments for Open Access and its intended benefits to science and society in general. We will focus in this Guide on reviewing practical market and business considerations—what one might see as new market realities—in adopting an Open Access model for the journal and making the transition from an existing subscription-based model.

#### ***Benefits to Researchers***

The subscription-based journal model currently prevalent is no longer achieving the goal of efficiently maximizing access to research material. Traditionally, scholarly publishers (as aggregators and distributors) and institutional libraries (as managers and preservers) served complementary roles in facilitating scholarly communication. Over the past several decades, however, the economic, market, and technological foundations that sustained this symbiotic publisher-library market relationship have begun to shift. For academic libraries, a significant market for academic journals, this has taken the form of increasing dissatisfaction with traditional print and electronic journal price and market models—models that have become less relevant and more difficult to sustain in a period of rapidly escalating prices and relatively flat library budgets.

Researchers, as *authors*, require access to the largest possible audience to which to disseminate their findings; researchers, as *readers*, need the broadest possible access to the relevant literature. However, the current model, which recovers costs—and often generates a surplus—through subscriptions and license fees can no longer achieve this.

Several concurrent market and environmental forces are constricting the availability of scholarly research and sapping the effectiveness of subscription-based models:

- Price increases relative to academic library budgets: Scientific and scholarly journal prices have increased an average of 8.5% per year since 1986, while library budgets have remained essentially flat. Large academic research libraries now spend three times more money on serials compared to 1986, yet they purchase 5% fewer serial titles.<sup>3</sup> Whatever the cause for these price increases, and despite the relative inelasticity of journal prices for institutional subscribers, the net effect has been to reduce the number of journals to which institutional libraries subscribe. Further, personal subscriptions to scientific journals have dropped to less than half of what they were 20 years ago.<sup>4</sup>

<sup>3</sup> See *ARL Statistics 2000-2001*: <http://www.arl.org/stats/arlstat/graphs/2001/2001t2.html>.

<sup>4</sup> See Carol Tenopir and Donald W. King. *Towards Electronic Journals: Realities for Scientists, Librarians, and Publishers*. (Washington, DC: Special Libraries Association), 2000, p.32.

- Volume of research published: Significant increases in the overall volume of published research, especially in the sciences, has further widened the gap between the published research available and what institutional libraries can afford.

These trends translate into less access to the available scholarly and scientific research. This is true regardless of the reasons behind the price increases. Whether driven by legitimate cost increases or aggressive corporate profit seeking, the effect remains the same: fewer institutional subscriptions and narrower user access. Thus, as these trends evolve, existing subscription-based models may become increasingly inadequate to serve the best interests of scholars and scientists themselves.

Open access models offer an alternative that better serves the needs of scholars themselves. Open access models enable authors to reach the widest possible relevant audience. Additionally, research has demonstrated that articles available online via Open Access have higher impact rates than proprietary online and print articles.<sup>5</sup> This amplified impact, visibility, and recognition are integral to academic professional advancement.

### ***Benefits to Publishers***

Open access models also provide an alternative to publishers whose traditional subscription-based models are becoming ineffective. The primary economic reason for publishers to adopt Open Access models is that, in the changing market environment described above, revenue levels from paid subscriptions are becoming increasingly difficult to sustain, let alone grow. The high prices of some scholarly and scientific serials have put mounting pressure on the institutional library market, and the library market's response to that pressure—primarily in the form of journal cancellations—affects virtually all journal publishers, irrespective of their own pricing policies. In this context, Open Access models may provide publishers with a viable alternative to paid subscription models.

Besides decreased academic library purchasing power, several other trends in the scholarly and scientific journal market combine to weaken the ability of some academic journal publishers to compete under a subscription model:

- Consortium purchasing: Consortium purchasing has effectively lowered costs and broadened access to journals and information services for many academic libraries. However, the publishers that benefit from such arrangements—via increased market penetration and expansion to new market segments—are those with content offerings of sufficient mass to appeal to consortia organizers. Smaller publishers, including many society publishers, generally do not participate in consortia deals and face increasing cancellations as such deals consume an ever-larger share of academic library budgets.
- Bundled content offerings: Several large commercial publishers have extended the practice of content bundling in a manner that allows the publisher to maintain or expand market share and increase revenue while widening the breadth of content to which a library's users have access. As with consortia purchasing, such deals work well for those publishers with sufficient content mass to offer them. However, as with consortia pricing, large content aggregation deals often leave fewer funds available for libraries to purchase or sustain subscriptions to the offerings of the (typically) smaller publishers unable to compete with them.

Over time, it will become increasingly difficult for smaller publishers—even of low-priced journals—to remain independent and viable in the increasingly rapid current at this

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<sup>5</sup> See Steve Lawrence. "Online or Invisible?" *Nature* 411 (6837).

confluence of trends. As many smaller publishers are, by design, low margin operations, it will prove increasingly difficult for them to survive in this market environment if they continue to rely on subscription models. Open access publishing might well prove more practical and sustainable over the long term.

Open access publishing helps ensure that publishing practices align with the expectations of authors and readers. As the grassroots demand for Open Access to research continues to grow, the publishers that best accommodate changing customer expectations and market realities may enjoy the greatest chance for survival. Additionally, Open Access responds to an inescapable market dynamic. Academic research libraries and other institutional subscribers comprise the largest market for scholarly journals. However, most of these institutions are now experiencing contracting or static purchasing power, which serves to accelerate institutional subscription cancellations. Converting from a fee-based to an Open Access model can effectively reverse the market-narrowing effects of this contraction. The challenge of converting a journal to a sustainable Open Access model might be viewed as an effective alternative to the challenge of trying to maintain the *status quo* in an increasingly diminishing and resistant market.

In sum, the current system of scholarly journal subscriptions—with prices that often preclude broad subscriber and user bases—limits, rather than expands, readership, availability, visibility, and community benefit. Repeated rounds of journal price increases, and the cancellations that they generate, act to reduce the audience still further. In this environment, Open Access journal publishing delivers significant benefits to all its constituent stakeholders, including publishers, and to society at large.

### **Challenges of Converting a Subscription-based Journal to Open Access**

Implementing an Open Access model may have significant implications for adopting organizations. These vary with the particular circumstances of each journal, and appear, in practice, in so many varieties and combinations that it is impossible to catalogue them all. Still, we can view and discuss the issue from two broad perspectives: 1) the economic and market context in which the Open Access model would be applied, and 2) the organizational and cultural issues that will affect a publisher's willingness and ability to adopt an Open Access model.

#### ***Economic Issues***

The economic risk entailed with converting a subscription-based journal to an Open Access model will depend on each journal's financial particulars. As Figure A illustrates, the relative risk that will attend converting any given journal to Open Access will derive largely from three interrelated financial indicators for the current journal: the cost structure, the revenue or income level, and the operating margin. For example, the higher the costs, the greater the risk of foregoing subscription revenue unless the risk can be reduced by lowering the expenses. Similarly, the greater the dependence on revenue from subscriptions, the greater the risk unless this dependence can be reduced (by lowering costs) and alternative revenue sources can be developed. And, the greater the dependence on the journal's operating margin or surplus to fund organizational programs outside of the publishing operation, the greater the risk unless alternative funding sources can be secured.

**Figure A: Financial Risk of Open Access**

| Financial Indicators | Relative Risk |      |
|----------------------|---------------|------|
|                      | Low           | High |
| Cost Structure       | Low           | High |
| Revenue              | Low           | High |
| Operating Margin     | Low           | High |

**Cost Structure**

The expenses incurred to publish a journal vary from one to the next. Throughout this Guide, we assume that publishers of existing journals know the full nature and extent of their own operating costs, both fixed and variable, under the journal’s existing business model. Therefore, in discussing costs here, we focus on the impact that Open Access or a particular funding component might have relative to a journal’s existing cost structure. Journal publishers—both nonprofit and commercial—range from single-title publishers to large organizations. Some organizations have in-house professional staffs to provide editorial, production, sales, marketing, and administrative support. Others outsource some, or all, of these functions to volunteers (for example, unpaid editors and referees drawn from a society’s membership), paid part-time staff or independent contractors, or third-party service providers. Further, while there are some economies of scale in journal publishing, larger organizations tend to bear greater incidental costs than many smaller organizations. Some (typically nonprofit) publishers enjoy long-standing in-kind contributions (both explicit and implicit) from academic institutions, sponsors, and other organizations. These in-kind contributions—including, for example, office space, administrative support, technical hosting and support, etc.—effectively offset costs that would otherwise be incurred by the publisher.

Obviously, high cost structures impose a steeper hurdle for any income-generating model to clear, while low cost structures allow the publisher greater flexibility in selecting a business model. Thus, in terms of initial risk perception, high cost operations will need to carefully evaluate the ability of Open Access models to offset their existing cost structures. Alternatively, in instances where the organizational resolve to adopt an Open Access model is great, publishers may also elect to revise their operating structure in order to substantially reduce costs. However, such a restructuring presupposes a significant commitment on the part of the organization and a realistic ability to in fact reduce expenses to a level sufficient to achieve a successful Open Access business model.

The incremental costs of converting to Open Access lie primarily in the development of a digital publishing capability—new to those publishers that currently publish only in print (or that have a limited online presence, such as presenting only tables of contents).<sup>6</sup> These costs include:

<sup>6</sup> John Wallinsky examines a range of economic issues that scholarly associations are confronting in moving their journals online, with a focus on the possible viability of an Open Access format. See John Wallinsky, “Scholarly Associations and the Economic Viability of Open Access Publishing,” *Journal of Digital Information*. Vol. 4, No.2 (April 9, 2003).

- Site design and technical development, including implementation of a user interface, file or database structure, access authentication system, back-up systems, etc.;
- Licensing and implementing an editorial “pre-press” workflow system;
- Content formatting and metadata tagging; and
- Web site hosting and storage.

Implementation costs will depend on the features and functionality of the digital service, ranging from simple hierarchical file structures to support a volume and issue presentation of PDF and/or HTML files to more sophisticated indexing, searching, formatting, and linking. Additionally, some of the funding model components described in this Guide can add to the complexity—and the cost—of a digital journal implementation.

Variable print and distribution costs (and related expenses, such as print edition storage, resends, and the like) depend on whether the journal elects to publish in electronic-only or dual media formats. For many journals, sales costs are wholly variable (for example, commissions to subscription agents), and in such cases a shift to Open Access would have no bottom line effect, either positive or negative. A publisher supporting an in-house subscription sales function, on the other hand, could realize net cost savings by eliminating such a function when converting to free distribution (although some of the sales function might be repurposed for selling advertising and sponsorships).

A journal that pays stipends or honoraria (for example, to referees or editors) might consider phasing out or eliminating such fees outright. The journal’s conversion to Open Access would provide the rationale for such a change. Often, professional altruism and prestige will provide sufficient motivation and incentive to ensure the continued support of voluntary editors and referees. Several factors will influence whether this policy change makes sense in any given case: 1) whether the cost of these honoraria is substantial enough to warrant the potential disruption or resistance that might be incurred; 2) whether the journal’s prestige is sufficient to allow it to make such a change unilaterally; and/or 3) whether the culture of the journal supports a shift to voluntary provision of such services.

The majority of fixed, “first copy” costs would not necessarily change for a publisher converting to Open Access. The cost impact on administrative support and marketing and other non-variable promotion costs will depend largely on the new business model(s) deployed. Some of the business model components described below may require that a publisher add or reallocate expenses of a particular type (for example, to actively support online sponsorships). Optimally, total costs will be decreased. However, whether the changes in cost structure occasioned by a shift to Open Access will result in a net increase or decrease in expenses will be specific to the circumstances of each publisher and journal.

From a broader perspective, however, publishers might seek to lower costs by cooperative, cost-sharing initiatives with other publishers. Publishers could share the development and operational expenses for electronic publishing infrastructure, for administrative support, and for other non-competitive elements where cooperation might reap economies of scale. Such cooperation could lower each publisher’s effective cost-per-article significantly. Publishers should evaluate the suitability of such cooperation, or the use

of commercial services that support Open Access publishing through scale infrastructure models,<sup>7</sup> prior to investing in the development of their own systems.

### ***Income Stream and Operating Margin***

In most instances, the absolute level of a publisher's income or revenue derived from journal publishing will also determine the performance barrier for any new business model and will thus affect the initial risk incurred. Unless an organization enjoys a significant operating surplus overall, which helps to support the publishing program, the publisher will need to continue to generate journal-related income sufficient to cover its costs. On the other hand, publishers of journals that currently run an operating deficit might elect to make operational changes (for example, shifting to digital-only delivery and securing in-kind contributions) that may lower expenses and allow the journal to breakeven under an Open Access model. Publishers with a high operating margin that elect to adopt an Open Access model may, of course, forego some or all of the existing subscription-based journal's surplus in order to lower the income hurdle and make adopting Open Access more feasible.

Existing journals with a *low economic risk*—relatively low costs, low revenue, and low margin requirements—have the easiest apparent path to conversion to Open Access. However, none of the above is to say that publishers with high cost structures, high revenue dependencies, and/or high operating margin requirements cannot or should not attempt to convert to an Open Access journal model. Rather, it simply suggests that such publishers will face greater *initial* risks. Yet consider this: given the increasing difficulty that publishers will experience in sustaining subscription-based models, those with a *mid to high economic risk* in converting to Open Access ultimately may face an even greater future risk by failing to adopt an alternative operating model such as Open Access.

### ***Organizational Issues***

While economic issues obviously loom large to publishers considering adopting an Open Access model, reconciling such a model with existing organizational practice and expectations can prove equally challenging. It is important, then, to anticipate the impact that a shift to online Open Access publishing will have on the major stakeholders in the process: both internal stakeholders (including authors, society members (where relevant), publications staff, management, etc.) and external stakeholders (including librarians and other institutional subscribers, online information distributors, subscription agents, etc.). Moving to an Open Access model, especially when accompanied by a simultaneous move to electronic-only publication (which raises its own, discrete issues), may require that you overcome considerable systemic inertia to change the perceptions of various stakeholders.

Providing free and unrestricted access to a journal radically disrupts the publishing business model familiar to most publishers. While the cost recovery models and value-added information services described elsewhere in this Guide might provide publishers with revenue generating opportunities, in most instances those services alone will not deliver the surpluses to which larger journal publishers may have become accustomed. Therefore, it will often be difficult—strategically, financially, and psychologically—for many publishers to

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<sup>7</sup> BioMed Central ([www.biomedcentral.com](http://www.biomedcentral.com)) is one commercial service that offers such infrastructure support for Open Access publishers in the life sciences. BioOne ([www.bioone.org](http://www.bioone.org)), a nonprofit initiative for the biological sciences, supports both Open Access and fee-based access. Additional resources may be found in the Appendices.

reduce their publishing surpluses by withdrawing from, or substantially altering, their subscription-based activities.

Further, converting to an Open Access model involves financial risk, as discussed above. This can prove unattractive to both commercial and nonprofit publishers alike. Most learned societies, in particular, are managed with a custodial approach, not as risk-taking entrepreneurial operations. However, as the Open Access market becomes a more favorable marketplace—while the subscription-based market continues its contraction—the risk of inaction may shift to outweigh the risk of action. In some ways, the most successful subscription-based journals are in the most difficult position: without a market (or, in the case of societies, membership) mandate or a financial imperative *forcing* a shift to Open Access, these journals will find it difficult to accept the risk of changing their publishing model proactively to anticipate and respond to changing market demand. However, waiting until a deteriorating traditional market forces a response may leave the publisher with less publication-derived income, and thus fewer resources and fewer options with which to respond. Simply increasing subscription prices in an attempt to offset cancellations eventually reaches the point of diminishing return.

In addition to the business model related issues discussed above, learned and professional societies have long-standing relationships with their members and often act as focal points for the research communities they represent. While society dues often include a “free” journal subscription that otherwise would be available only at a price, society members also enjoy other rights of membership—and, presumably, additional value—beyond the *quid pro quo* of the journal subscription itself. Societies, therefore, provide community-supporting services in exchange for their members’ dues that exceed the value allocated to the journal subscription. Society publishers—by clarifying the benefits of membership—should be able to provide Open Access to the journal’s content without losing members. Stated differently, if a journal subscription provides the only incentive to society membership, then its relationship to authors and readers does not transcend the publishing function and the society may need to carefully reconsider its function and the value it delivers to its members.

### **Publishing Medium Issues**

Online dissemination is a defining characteristic for Open Access. Therefore, publishers must address additional cost and market issues if the journal being converted to Open Access is currently available only in print. Figure B (below) illustrates some of the market and economic issues involved with a change in publishing media. These issues will vary depending on whether the digital journal will replace the print version or whether the journal will be published in both media. We address below some of the particular issues that publishers might encounter if they choose to adopt a digital-only model.

While the implications of journal prestige on academic professional advancement are well understood, they demand particular consideration if you are converting to an online-only model. Attracting a steady stream of author submissions is essential to any scholarly journal. If not handled carefully, publishing your journal in electronic-only format might make it more difficult to continue to attract quality papers. Scholars sometimes dismiss electronic-only publications as ephemeral or inferior to print, although such perceptions vary by field of study. Researchers accustomed to print journals may share your values for Open Access as readers, but hesitate to follow through as authors by submitting their papers for publication. Surveying the attitudes of your authors and readers will help you determine whether a conversion to digital-only publication is advisable, whether you

should publish in both digital and print formats, or whether you should plan a dual media transition period to help educate, inform, and prepare your market for digital-only dissemination.<sup>8</sup>

Moving to Open Access distribution, especially when coupled with a shift to digital publishing, may require you to revisit your existing author-publisher agreements to ensure that the agreement terms align with the new distribution model. This also presents you with an opportunity to bring your author-publisher agreements in line with the principal of Open Access. (Appendix III-B provides a list of sample author-publisher agreements.)

If you choose to publish only in a digital format, you may still have a couple of reader and author issues to address. Perhaps the most obvious issue, the continued preference of many readers and authors for print, can be accommodated by publishing articles in PDF or other print facsimile formats.<sup>9</sup> Further, convenience print editions can continue to provide print versions for those who insist on them (and are willing to pay for them). Additionally, readers benefit when authors exploit the particular capabilities of electronic publishing, such as the inclusion of supporting data sets and multidimensional models. Encouraging the submission of papers that utilize these features will help overcome the demand for print and allay any misapprehensions about the electronic presentation of research.

From a marketing perspective, moving from print to electronic-only will require that you pay particular attention to maintaining a high brand perception. An established journal with a strong existing brand should be able to maintain—and even strengthen—that brand position after moving to online distribution. The journal's brand is reinforced in multiple ways, but the principal drivers will remain the journal's quality—including the value of the content, the status of the editorial board, and the cumulative impact of the journal's articles—and market awareness. Content and editorial quality should not be adversely affected by electronic-only distribution and, as noted above, research has demonstrated that articles freely available online have higher impact rates than articles only available in print.

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<sup>8</sup> Several studies examine the attitudes and behaviors of academic and scientific researchers towards electronic forms of scholarly communication. See: "Authors and Electronic Publishing" (Worthing, West Sussex: Association of Learned and Professional Society Publishers, 2002), and Amy Friedlander. "Dimensions and Use of the Scholarly Information Environment" (Washington, DC: Council on Library and Information Resources, 2002).

<sup>9</sup> While the remaining half-life of print is constantly (and inconclusively) debated, for our purposes it is only necessary to acknowledge that print, as a journal publishing medium, will not disappear precipitously.

**Figure B: Distribution Format Change Issues**

| Formats                       |                 | Issues   |   |
|-------------------------------|-----------------|--|---|
| Current                       | Proposed        | Cultural   | Economic  |
| <b>Print Only</b>             | Electronic-Only | <ul style="list-style-type: none"> <li>▪ Could face considerable author-reader/market resistance, depending on field or discipline being served. (If market hostile or ambivalent to electronic-only, consider dual media transition period.)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Savings from discontinuing print depends on current subscriber base—and hence printing distribution costs—relative to fixed costs.</li> <li>▪ Requires additional development cost to implement electronic publishing capability.</li> <li>▪ Development investment will depend on existing editorial workflow system and content submission formats.</li> </ul> |
|                               | Both            | <ul style="list-style-type: none"> <li>▪ Continued provision of print could ease the introduction of a digital version.</li> <li>▪ Print edition could shift to annual delivery to accommodate as-available digital publication.</li> </ul>              | <ul style="list-style-type: none"> <li>▪ Requires additional development cost to implement electronic publishing capability.</li> <li>▪ Development investment will depend on existing editorial workflow system and content submission formats.</li> <li>▪ Print delivery periodicity could be changed (e.g., from quarterly to single issue per volume) to reduce costs.</li> </ul>                     |
| <b>Print &amp; Electronic</b> | Electronic-Only | <ul style="list-style-type: none"> <li>▪ Could encounter member resistance depending on acceptance of print.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Savings from discontinuing print depends on current subscriber base—and hence printing distribution costs—relative to fixed costs.</li> </ul>  |
|                               | Both            | <ul style="list-style-type: none"> <li>▪ No change.</li> <li>▪ Could shift print edition to annual delivery cycle.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Print delivery periodicity could be changed (e.g., from quarterly to single issue per volume) to reduce costs.</li> </ul>  |
| <b>Electronic-Only</b>        | Electronic-Only | <ul style="list-style-type: none"> <li>▪ No change.</li> </ul>   | <ul style="list-style-type: none"> <li>▪ No change.</li> </ul>  |
|                               | Both            | <ul style="list-style-type: none"> <li>▪ Additional print cost might be offset by print convenience charges, while maintaining online Open Access.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Cost of adding print would depend on delivery frequency.</li> <li>▪ Additional print cost might be offset by print convenience charges.</li> </ul>   |

## **Section II: GENERAL**

### **II-A. Potential Open Access Business and Funding Models: An Overview and Taxonomy**

Developing a sound business/funding model is a critical concern of publishers considering whether to shift an existing subscription-based journal to an Open Access model. Selecting the model appropriate to your particular journal will depend not only on the extent of the expenses that must be covered, but also on the mission and structure of your publishing organization. The appropriateness of any given business or funding model may depend on a number of issues, including the publisher's size, organizational mission or charter, corporate legal and/or tax status, institutional or corporate affiliation, and other considerations.

There is rarely a single component within the funding model for any Open Access journal. Rather, multiple components typically will combine to sustain an Open Access publishing operation. (The combination of funding components applied becomes "The Model" for that organization.) This "three-legged stool" approach also helps to mitigate the effect of any underperformance by a single business model component. In this section, we present the following components of a business and funding model, including both income generating and subsidy funding components:

#### **SELF-GENERATED INCOME**

INPUT FEES  
     Author submission/publication charges or article processing fees  
     Off-print sales  
 AFFINITY RELATIONSHIPS  
     Advertising  
     Sponsorships  
     Co-hosting of conferences and exhibits  
 ALTERNATIVE DISTRIBUTORS  
     Convenience-format licenses or distributor format fee  
 RELATED PRODUCTS AND SERVICES  
     Journal publication in off-line media (print or CD-ROM)

Value-added fee-based services  
 ELECTRONIC MARKETPLACE  
     Contextual E-commerce  
     Community Marketplace

#### **INTERNAL AND EXTERNAL SUBSIDIES**

INTERNAL SUBSIDIES  
     Dues Surcharge  
 GRANTS AND CONTRIBUTIONS  
     Foundation Grants  
     Institutional Grants and Subsidies  
     Government Grants  
     Gifts and Fundraising  
     Voluntary Contributors  
     In-kind Contributions  
 PARTNERSHIPS

Again, the manner in which an entity selects, implements, and combines various components will reflect the contexts particular to it: organizational, philosophical, cultural, technical, and disciplinary. There may be no logical limit to the combinations and permutations possible, although in practice some components complement each other better than others.

As an aid for developers and planners, we provide below a taxonomy of Open Access business models. These are dynamic: new models, new variations on models, and new combinations of models occur frequently. Therefore, the taxonomy provided below makes no claims to being either comprehensive or definitive, although a best effort has been made to be thorough.

Two cautions as you review the business/funding models described below:

- Avoid the temptation to dismiss any of the components out of hand as inappropriate to your market universe, unacceptable to your users, or incongruous in your organizational setting. By definition, you are operating in a market environment in which expectations and receptivity to innovation continue to change rapidly. At the same time, your organization's tolerance for risk and willingness to change—as well as your market environment—will also affect which components will prove acceptable in your particular situation. And,
- Avoid the tendency to be overly optimistic in forecasting the financial results of each component within your business model. Be sure that your projections are based on thorough and objective analyses of market factors and potential. And even then, be conservative. One way to accomplish that is to prepare three sets of revenue projections—worst case, mid case, and best case—and create three total scenarios and *pro forma* financials (including expenses) based on each.

## **BUSINESS MODEL COMPONENTS: SELF-GENERATED INCOME**

### **INPUT FEES**

#### ***Author submission/publication charges or article processing fees***

Article submission or publication charges—charging contributing authors or their proxies fees to subsidize journal processing costs—are among the most frequently discussed supply-side business model components for an Open Access journal.<sup>10</sup> In the print publishing context, author fees may include per-page charges, photograph and other illustration fees, and surcharges for color printing, depending on the publisher. In the digital environment, where document length and color illustration have a minimal effect on costs, author charges tend to be flat-rate fees reflecting the article processing costs.<sup>11</sup> Some publishers levy such charges on all articles submitted, while others apply them only to articles accepted for publication. Both rejected and accepted articles incur costs (some publishers assert that rejected articles actually cost more to process than accepted ones), and charging article submission fees for all submissions at the outset may allay the suspicions of vanity publishing that sometimes attend such author charges.

A publisher's determination of such fees will reflect a combination of the publisher's pre-press processing costs, the publisher's policies as to which submissions will incur a

<sup>10</sup> While approximately 10% of Open Access journals levy publication charges, one publisher (BioMed Central) accounts for the majority of such journals.

<sup>11</sup> BioMed Central and the Molecular Diversity Preservation International foundation (MDPI), for example, assess a fee of \$500 per article, with allowances for individual authors not affiliated with an institution capable of covering the fee. The Public Library of Science has announced plans to charge a \$1,500 per article publication fee.

charge, the number (scale) of submissions, and the extent to which the author charges offset actual expenses (in some instances, the author charge may be intended to completely cover the cost of processing; in others, the charge may only partially defray costs). The latter will depend both on the publisher's cost structure (and hence the level of the fee) and perhaps on the receptivity to such fees in the journal's field. Figure C below provides a simple method of how an author fee might be computed for either all submissions or accepted articles, assuming that the fee covers all processing costs. Obviously, were the fee applied in combination with one of the other funding components below, the article charges would decrease accordingly.

**Figure C: Sample Article Fee Calculation Method**

|   |                    |
|---|--------------------|
| (a) Issues Per Volume                           | # a                |
| (b) Articles Per Issue Accepted/Published       | # b                |
| (c) Articles Per Volume Accepted/Published      | $a \times b = \#c$ |
| (d) Articles Submitted                          | # d                |
| (e) Acceptance Rate for Articles Submitted      | $b \div d = e \%$  |
| (f) Total Net Editorial Processing Per Volume   | \$ f *             |
| (g) Proportion of Cost Defrayed by Article Fees | g %**              |
| (h) Fee Per Submission                          | $f \div d = \$ h$  |
| (i) Fee Per Published Article                   | $f \div c = \$ i$  |

\*In local currency. Including costs incurred for both rejected and accepted submissions.

\*\*Up to 100% (if no other funding components).

As the method in Figure C suggests, if the journal charged a processing fee for every article submitted, and if that fee were intended to offset the entire editorial expense of the journal, then (h), the fee per submission, would need to be set at (f) total net expense divided by (d) the number of articles submitted. On the other hand, were the journal to charge an article processing charge solely for accepted articles, (i) the fee per article, would need to be (f) divided by (c) the number of articles accepted and published. Depending on the scholarly or scientific discipline of the journal (and receptivity to article processing fees and the availability of research funds to support such fees), such fee levels would frequently prove too steep to be feasible. However, as noted, these fees can be lowered by using them in conjunction with other funding mechanisms.

Many publishers using or contemplating using input fees assume that the author's host institution or research funding agency will subsidize these charges, and some publishers make allowances for special situations (for example, individuals without a host institution or from less developed countries), assessing lower fees or waiving fees altogether when no institutional subsidy exists. These policies must be considered when you calculate article processing fees.

While page charges currently account for a relatively small proportion of revenue across scholarly publishing overall, they represent significant revenue streams for some scientific society publishers.<sup>12</sup> For journals in disciplines for which they have been a long-standing practice, page charges provide a logical model to extend to digital Open Access

<sup>12</sup> One estimate places the overall contribution of page charges to be well under 10% of overall revenue, though the figure has been closer to a third of revenue for some publishers. See Carol Tenopir and Donald W. King. (2000) *Towards Electronic Journals: Realities for Scientists, Librarians and Publishers*. (Washington, DC: SLA Publishing), pp. 310-312.

publishing. However, authors in disciplines without an established page-charge tradition may resist the practice. Disciplines without such practices include fields (including the humanities and social sciences) where research is relatively inexpensive and research grants too small to cover an article submission charge. Further, the practice runs counter to the tradition in some countries where research scientists may receive direct or indirect government remuneration for publishing research. While this perception might change with the expansion of Open Access publishing, publishers should be aware of their authors' attitudes towards the practice in order to better anticipate and overcome any objections. Relying on author proxies—universities and research sponsors, for example—might further allay author objections.

Article processing fees are based on the premise that authors and their host institutions are the most direct beneficiaries of publication in a scholarly journal. Also, in contrast to the current subscription-based models, the funds available to support publication scale with the amount of material seeking publication. Research has found that the demand for academic journals (at least in the US and UK markets) comes primarily from the authors themselves, motivated by the role publication in prestigious journals plays in professional advancement.<sup>13</sup> Article processing charges thus distribute a journal's publication costs across those individuals and institutions that benefit most directly from a paper's publication. While this is often cited as one of the advantages of such charges, it is also—as noted above—one of the principal objections to such charges when they are paid by the individual author seeking professional advancement. When positioned as being paid by academic institutions, funding agencies, and other sponsors, author charges might prove less objectionable when transplanted to new disciplines.<sup>14</sup> Some society publishers have grant programs that subsidize article processing fees for qualifying submissions. Such grants typically apply to society members who lack other institutional funding to pay the article charges.<sup>15</sup> One Open Access publisher has instituted a model that packages article processing charges in an institutional subscription: a fixed fee covers all manuscript submissions from researchers at the subscribing institution.<sup>16</sup>

### ***Transitioning from a Subscription Model to Author Publication Fees***

Subscription-based journals that wish to transition to an Open Access model funded by publication charges can often find themselves at an impasse: while they require a compensating income stream to offset the print journal cancellations that might result from Open Access availability of the online journal, some of their contributing authors do not have access to the funds necessary to pay for publication charges. Further, foundations,

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<sup>13</sup> See Roger Noll and W. Edward Steinmueller. "An Economic Analysis of Scientific Journal Prices: Preliminary Results." *Serials Review*. Vol. 18 (1992); "What Authors Want" (Worthing, West Sussex: Association of Learned and Professional Society Publishers, 1999); and "Authors and Electronic Publishing" (Worthing, West Sussex: Association of Learned and Professional Society Publishers, 2002).

<sup>14</sup> A partial list of government agencies and foundations that explicitly allow their research grant funds to be used for publication charges is provided by BioMed Central (see <http://www.biomedcentral.com/info/authors/apcfaq>).

<sup>15</sup> For one example, see <http://www.entsoc.org/pubs/Publication%20Policies.htm>.

<sup>16</sup> See, for example, <http://www.biomedcentral.com/info/instmembership.asp>. Indeed, all 180 universities in the United Kingdom are now "institutional members" of BioMed Central. This membership was funded by the Joint Information Systems Committee (JISC). It should be noted that packaging article processing charges in an institutional subscription will often burden the institution's library with costs customarily incurred elsewhere (for example, faculty departments).

governments, academic institutions, and other research funding agencies may only slowly respond to a publication charge model as long as authors can publish for free under the current subscription-based journal model. The discretionary publication charge approach described below can help subscription-supported academic journals overcome these issues in order to transition to an Open Access model funded entirely (or largely) by author charges.

Recently, Thomas Walker and David Prosser have described how the Entomological Society of America's author-discretionary model might be adapted to allow subscription-based journals to implement a gradual transition to Open Access while minimizing financial risk.<sup>17</sup> This transition process would allow journals to gradually introduce author publication charges as an income stream that would lessen the journal's reliance on subscription-based income.<sup>18</sup>

In this model, a journal would lower its subscription price over time as the proportion of authors willing to pay the publication fee increases. Thus the journal would be able to gain new revenue to support a transition to Open Access at a rate approximately commensurate with the acceptance of publication charges by the journal's author community. Under an effective transition program, lost print subscription income would be offset (again, approximately) by publication charges. The transition period afforded by the model would also provide the time and context necessary to:

- Demonstrate the benefits to authors—greater visibility, higher citation and impact—of Open Access. At the same time, authors who cannot (or choose not) to pay publication charges can continue to publish in their journal of choice.
- Allow for researchers to begin to build publication charges into their research funding proposals, and conceivably for the granting agencies to routinely fund publication of the research that they support.
- Assess the impact of the model on other journal income streams. Some of these, such as offprints and permissions, might be expected to decrease in a manner similar to subscriptions. Other income streams, such as advertising, might increase as the visibility and impact of the journal increases due to Open Access.

Figure D (Financial Forecasting Template for a Transition to Discretionary Author Publications Charges) below illustrates how the model might be applied over time and demonstrates several issues that need to be considered when planning such a transition:

- Journals with relatively higher publication costs will require higher publication charges. The point at which the article publication fee becomes a barrier to author participation will depend on both the discipline (that is, the extent to which authors are accustomed to such fees) and the journal's reputation (that is, the value authors perceive in publishing in a particular journal). Of course, other income sources may allow a journal

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<sup>17</sup> Thomas J. Walker, personal communication, February 1, 2003 and David C. Prosser, "From here to there: a proposed mechanism for transforming journals from closed to open access." *Learned Publishing* Vol. 16 (2003), pp. 163-166. Also see chronology of ESA's Immediate Free Web Access (IFWA) initiative, <http://csssivr.entnem.ufl.edu/~walker/epub/esaepub.htm>.

<sup>18</sup> As another example, the American Physiological Society recently instituted an Open Access choice for *Physiological Genomics*. Authors may choose to pay a \$1,500 fee to have their article published online with Open Access from the first date of publication or choose to pay no author fees and leave their article under subscription access (see <http://www.the-aps.org/publications/journals/pg/interest.htm>).

to set its publication charges at a lower level. Conversely, where possible, setting the publication charge slightly higher than the actual per article cost can provide an operating surplus to offset years in which the journal incurs an income shortfall due to subscription cancellations and/or lower than anticipated author participation.

- A progressive acceptance of publication charges, with a greater proportion of authors electing to pay each year, dramatically lowers the financial risk to the transitioning journal. Unfortunately, most journals will find it difficult to project with any confidence the rate at which authors opt to pay publication charges. This suggests that a market study of the journal’s author community, supported by an effective promotional program, will help improve author participation, increase predictability, and lower risk.
- Where author participation rates are low, slow, or fluctuate considerably from one year to the next, a journal may face possible short- and mid-term losses. Where participation drops from the previous year, the lowered journal subscription price may not generate sufficient income to cover expenses. (In many instances, it would be difficult to increase the subscription price sufficiently from year-to-year to cover sharp fluctuations.) To reflect this, a journal might assume a cap (for example, 10%) on year-to-year price fluctuations. However, a journal could implement a subscription pricing policy—for example, pricing the subscription slightly higher than necessary for simple cost recovery—that builds in a hedge against such contingencies. This might prove especially effective in combination with a slight surcharge on the publication fee.
- There may be a tipping point for cancellations of paid subscriptions that precedes the journal’s ability to support itself through publication charges. For example, were subscription cancellations to accelerate rapidly while only a relatively low percentage of the journal’s content is available via Open Access (and thus publication charge income is relatively low), the journal could face a critical shortfall in operating income. In some cases this could be addressed by setting the publication fee higher from the outset of the transition. As long as the initial publication fee is not so high as to discourage author participation, this could generate a surplus that could then be applied to subsidize the journal through years when it incurs an operating loss. Again, a journal could avoid catastrophe by analyzing its author community thoroughly before undertaking the transition.

While such a strategy is not without risk, that risk can be anticipated and mitigated, especially by established journals in disciplines with a strong tradition of author charges.

**Figure D: Financial Forecasting Template for a Transition to Discretionary Author Publications Charges**

This template presents the format for a multi-year spreadsheet forecast of the financial impact of a transition program. At least two scenarios, each with their own set of projections, should be considered. One might be a “best case”—with a gradual paid subscription loss and high author participation—and the other might be a “worst case”—with more rapid paid subscription loss and lower author participation.

FORECAST FOR JOURNAL

| A) Year                       | Base Year | +1 Year | +2    | Etc. for <i>n</i> years |
|-------------------------------|-----------|---------|-------|-------------------------|
| B) Subscription Price         | \$000     | \$000   | \$000 |                         |
| C) Paid Subscription Base     | 000       | 000     | 000   |                         |
| D) Articles per Volume (Year) | 00        | 00      | 00    |                         |

|   | Base Year | +1 Year   | +2        | Etc. for <i>n</i> years |
|---|-----------|-----------|-----------|-------------------------|
| E) Cost to Produce Journal  | \$000,000 | \$000,000 | \$000,000 |                         |
| F) Percent of Authors Paying Charge   | 00%       | 00%       | 00%       |                         |
| G) Percent of Waived Charges  | 00%       | 00%       | 00%       |                         |
| H) Computed Per-article Pubn. Cost  | \$0,000   | \$0,000   | \$0,000   |                         |
| I) Actual Author Pubn. Charge (+00%)  | \$0,000   | \$0,000   | \$0,000   |                         |
| J) Publication Charge Income  | \$00,000  | \$00,000  | \$00,000  |                         |
| K) Subscription Income  | \$00,000  | \$00,000  | \$00,000  |                         |
| L) Other Income (if any)  | \$00,000  | \$00,000  | \$00,000  |                         |
| M) Total Income   | \$000,000 | \$000,000 | \$000,000 |                         |
| N) Surplus or -Deficit  | \$00,000  | -\$00,000 | \$0,000   |                         |
| O) Cumulative Surplus or -Deficit   | \$00,000  | -\$00,000 | \$00,000  |                         |
| Repeat above template with alternative spreadsheet calculations for each scenario |           |           |           |                         |

#### Notes and Assumptions:

- A) Year: Start the forecast with the base (current) year and project through at least ten years or whatever period may be necessary to achieve the full transition to Open Access.
- B) Subscription Price: The projected price is based on the subscription income necessary to approximately offset any shortfall in covering publication costs after income from authors paying publication charges and from other income, if any. However, many organizations will want to moderate subscription price increases and cap them (e.g., at 5% or 10%) year-over-year, even if that results in a deficit in some years.
- C) Paid Subscription Base: This is a market performance estimate for the number of paid subscribers relative to price and transition to Open Access. For example, under one scenario, a publisher might assume that a journal's subscription base would remain unaffected until at least 50% of a volume's articles are available via Open Access, and then assume a 10% decline in subscription base for every 10% increase in authors paying publication charges. In another scenario, however, one might assume a more pronounced and rapid impact on cancellations. This dynamic between subscription base and Open Access availability will vary by journal and by discipline.
- D) Articles per Volume (Year): Input either the number of articles published each year or the number of submissions, depending on whether you intend to levy fees only on published articles or on all submissions. This template assumes that charges will only apply to published articles.
- E) Cost to Produce Journal: Input the projected annual cost of journal publication that needs to be recovered. One might consider the possible impact on costs of lower quantities of the journal printed and mailed.
- F) Percent of Authors Paying Charge and G) Percent of Waived Charges: Based on its understanding of author attitudes and behavior for its particular field, a publisher will need to project the percentage of authors that will pay publication charges in each year relative to those authors who will not or cannot pay. (This would need to include the impact of journal policies, such as waivers for authors from LDCs, etc.) For example, under one scenario, a journal might assume that in Year One, 20% of authors will pay and 80% will not, and then assume a gradual increase in author participation of 5% to 10% per year. In another scenario, however, the journal might assume a slower author

participation rate and/or years in which the author participation percentage remains flat or declines slightly from the previous year.

- H) Computed Per-article Publication Cost: At its simplest, this is each year's estimated cost to produce the journal divided by the number of articles per volume (year). As the percentage of paying authors increases, the Percent of Waived Charges needs to be factored in as well.
- I) Actual Author Publication Charge: This incorporates a surcharge to allow for the difference between paid and waived publication charges. For example, if the estimated percent paying is 80%, the surcharge would be 20% (computed per-article publication cost x 120%, for example, \$1,750 computed cost x 120% = \$2,100 actual charge).
- J) Publication Charge Income: First calculate the number of paid publication charges—the articles per volume multiplied by the percent of authors paying a charge (for example, 40 x 80% = 32). Then multiply that number by the actual amount of the author publication charge to arrive at publication charge income (for example, \$2,100 x 32 = \$67,200).
- K) Subscription Income: Multiple subscription price by the number in the paid subscription base.
- L) Other Income if any: Input the estimated amounts of other income such as advertising, sponsorships, etc., that may be included in the journal's existing business model or added in support of the transition to Open Access.
- M) Total Income: This is the sum of J + K + L.
- N) Surplus or –Deficit: This is the "bottom line" for each forecasted year. Deducting total cost to produce the journal from total income yields the estimated surplus or –deficit. A deficit is equivalent to the amount of financial risk or shortfall the organization will face as it transitions to Open Access. One may need to use the spreadsheets to calculate a variety of estimated outcomes (all of which should be realistic to the degree possible) to develop a model that presents a risk outlook acceptable to the organization.
- O) Cumulative Surplus or –Deficit: A spreadsheet calculation of the cumulative amount.

### **Off-print sales**

Another variation on article processing charges makes payment of the article fee—and the availability of the article via Open Access—subject to the author's discretion. While this model could not be relied on to support a fully Open Access journal, it might provide a transitional strategy for disciplines without an existing article fee tradition. At least one society has experimented with a form of article processing charge that provides authors with electronic PDF "reprints" as an incentive to pay an article processing fee.<sup>19</sup> The surplus income generated from the article fees is sufficient to fund the posting of all the journal's articles digitally, including those for non-participating authors. Under one model, the posting of the PDFs for non-participating authors is delayed for several months to provide authors with an incentive to participate. Again, as Open Access principles require immediate access to research, this embargo mechanism to encourage author participation should not be applied in a pure Open Access model. Still, it might serve as an interim practice to help

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<sup>19</sup> Thomas J. Walker describes the experiences of the Florida Entomological Society taking its *Florida Entomologist* electronic. See Thomas J. Walker "Free Internet Access to Traditional Journals." *American Scientist*. Vol. 86, No. 5 (1998) and "Two Societies Show How to Profit By Providing Free Access." *Learned Publishing*. Vol. 15, No. 4 (2002), pp. 279-284.

sustain a journal converting from subscription-based until income streams from other components begin contributing.

Depending on the field in which they publish, some publishers realize substantial revenue from reprint sales to corporate buyers. Rather than assuming that such revenues will be lost under an Open Access model, publishers that currently enjoy these revenues may elect to reposition these reprint fees as corporate donations to support Open Access. Corporate purchasers, already accustomed to paying the fees, have shown some willingness to continue the practice, especially where publisher provision of the reprints serves as a convenience purchase. For planning purposes, journals that currently earn corporate reprint revenues may wish to discount such revenue streams by 20% to 50%, depending on the anticipated behavior and demand of your corporate purchasers.

## **AFFINITY RELATIONSHIPS**

### ***Advertising***

Web-based advertising extends the traditional broadcast media model. In the case of an Open Access online journal, the web site provides free access to valuable content in combination with advertising messages, usually in the form of banner ads and sometimes facilitating links to the advertisers' sites.<sup>20</sup> The publisher sells the ad capacity (typically on its own, or given sufficient demand, through a broker) to advertisers who wish to target the audience served by the web site.

Advertising works in instances where the web site either draws a substantial volume of visitors, allowing the advertiser to reach a large audience, or where the site's audience is highly specialized, providing an efficient marketing channel for targeting that particular audience. While scholarly journal web sites seldom attract large numbers of visitors, they typically reach specialized audiences. Where publishers can identify potential advertisers seeking to reach an online journal's users, an advertising program deserves consideration. Some scholarly print journals have sold advertising for years; there is no logical reason why such ads would not translate to the online version of the journal. This point can also be made to those who might object to web advertising for aesthetic or philosophical reasons.

There are several methodologies for setting web advertising rates. One method is based on the volume of ad "impressions"—that is, the number of site visitors who view web pages displaying the ads. Impressions are typically measured and sold as CPMs, or the cost per each thousand visitors.<sup>21</sup> CPM rates are out of favor with some advertisers, who find it difficult to quantify the financial return of such passive advertising. However, they can still prove useful to small market advertisers targeting highly specialized audiences. A second common ad rate uses a pay-for-performance model (sometimes referred to as a CPA or cost-per-(customer) acquisition model). Using a CPA model, the advertiser pays the publisher for each visitor that actually responds to the banner ad in some manner, typically

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<sup>20</sup> BioMed Central offers a full range of advertising media in the scholarly journal context (see <http://www.biomedcentral.com/info/advertising.asp>). Priory Lodge Education uses voluntary user registration information to increase its appeal to sponsors and advertisers (see <http://www.pol-it.org/serv.htm>).

<sup>21</sup> The price paid in a CPM arrangement is calculated by multiplying the CPM rate by the number of CPM units. For example, 100,000 impressions at \$25 CPM equals a \$2,500 total price. The amount paid per impression is calculated by dividing the CPM by 1,000. For example, a \$25 CPM equals \$0.025 per impression.

by “clicking-through” the banner and responding to an offer (often by making a purchase or by registering for more product information, etc.). Advertisers often prefer pay-for-performance models as they can predict their advertising return on investment (ROI) and better manage their advertising spending. From the publisher’s perspective, however, CPM rates better accommodate the particular use patterns of academic researchers, who—engaged in the research task at hand—are less likely to interact with ads. Further, CPM rate-based ad sales typically offer more predictability of income.

From a practical perspective, for existing journals with established print advertising programs, both the journal’s and the advertisers’ rate expectations will often be indexed to existing print advertising rates.

Web-based advertising raises a number of issues that Open Access publishers should bear in mind:

- *User receptivity:* While few users of any service in any medium will profess that they actually *like* advertising, mounting evidence suggests that academic users have few objections to web advertising that is relevant to their interests (for example, lab equipment or scholarly monographs) and graphically unobtrusive. Indeed, readers might well be expected to appreciate advertising that supports an Open Access publication.
- *Dual media ad packages:* If you publish your journal in both print and electronic formats, you might consider selling ad packages for both formats. This can be as simple as a bundled dual media price that entices advertisers to try web-based ads for the first time.
- *Ad sales capacity:* Advertising needs to be sold and traffic managed, which requires the aptitude, time, and effort to do so. If you have little or no staff support, an advertising program for your journal might not be a cost-effective component of the business model unless you can leverage the effort with an existing ad sales program or out-source most of the effort to a broker (who will typically be paid only for results, on a commission basis). However, if you have sufficient staff resources and/or can leverage advertising with a print edition of the journal—and/or other affiliated journals, especially ones that already contain advertising—a web ad program can contribute to your operating income, while delivering information relevant to your users.
- *Site traffic reporting:* If advertising is sold based on CPMs, the advertiser will require accurate reports of your site’s traffic. While third-party Internet audience measurement services exist that monitor this type of traffic, they are too expensive for most publishers. In a small market, you should be able to reach an accommodation with your advertisers that allows you to supply data from your own server logs to validate your traffic figures.

Unlike broadcast advertising, where ad revenue represents the major or sole source of revenue for the broadcaster, for Open Access journal publishers advertising will likely contribute a relatively modest income stream—perhaps 5% to 20% of total revenue. Still, some Open Access publishers will find advertising to be worth the effort, whether they previously operated an advertising program or not.

When marketing to advertisers, you will want to emphasize the strengths of your journal and the demographics it reaches. For example, you will want to provide the

following information, together with advertising rates, to formulate a “rate card” and “media kit” (a resource to help prospective ad buyers evaluate advertising opportunities):<sup>22</sup>

- **Readership/Circulation/Impressions:** Indicate the approximate number of registered subscribers (in this case, those who have registered to receive the Open Access journal) and/or the number of page impressions. Of course, any registration system should conform to your organization’s user privacy and disclosure policy.<sup>23</sup> Whether you present one or both of these figures will depend on a variety of factors, including how long the journal has been available online (for example, until the journal has been online long enough to build up traffic, you may choose to emphasize the projected online readership based on your print subscription base).
- **Cost effectiveness:** If a significant proportion of your journal’s audience represents a particular demographic in addition to the specific discipline the journal represents (for example, researchers in a particular country or geographic region, researchers in the private sector, etc.) you may wish to point out that advertising placements in your journal lower effective costs for advertisers who want to reach that audience.
- **Quality of readership:** Indicate the profile of the readers of your journal, both online and offline (when such data are available). These assertions will be strengthened when they are supported by detailed user registration information.
- **Other leading advertisers:** Indicating prominent past advertisers in your journal may generate additional interest by building the credibility of your journal as an effective media outlet and by enticing companies to respond to their competitors’ advertising.

Some journals may be unwilling to accept certain types of advertising which may be viewed as distasteful or not directly pertinent to the audience. While most journals would be unlikely media targets for such types of advertising, it is best to establish an explicit policy beforehand identifying any restrictions. Bear in mind that your journal may be viewed by undergraduate students, and that (at least in the US) academic institutions often discourage (or even prohibit) the display of advertising for student credit cards and similar credit products.

### ***Sponsorships***

The corporate sponsorship component relies on one or more corporate sponsors to subsidize some or all of an Open Access journal’s operating expenses in exchange for recognition on the web site and, sometimes, in other forms of public communication. While similar in appearance to online advertising—the sponsorship recognition often takes the form of a banner graphic or display of a logo and brief message—sponsorships differ from advertising in several significant respects:

- ***Greater funding potential:*** Sponsoring a journal delivers greater marketing value than does advertising, as the sponsor benefits from the reputation,

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<sup>22</sup> Media kits typically contain information about rates, ad sizes and formats, audience profiles and targeting options (where applicable), and contact information, along with any other information that will help advertising buyers make informed decisions and encourage them to advertise in your journal.

<sup>23</sup> For more information on privacy policies and disclosure (or non-disclosure), see Appendix III-C.

values, and goodwill of the Open Access journal. Thus, a journal can realize more revenue via a corporate sponsorship than the market value of a commensurate amount of advertising. While difficult to quantify, this concept is well understood by experienced corporate sponsors. (By way of illustration, the 15-second on-air donor recognition that an auto maker receives for sponsoring a Public Broadcasting Service (PBS) production is worth more to the sponsor than a 15-second commercial on a broadcast channel.) For an Open Access journal, this may translate into the potential for securing sponsorships that contribute significantly to the journal's operating income.<sup>24</sup>

- *Less labor intensive:* Once the guidelines have been established, maintaining corporate sponsorships should be less resource intensive than selling advertising. First, a journal would often only have one or two corporate sponsors; more would dilute the sponsorship's appeal to potential funders. Second, the length of a sponsorship commitment is typically longer than that for an advertising contract. On the other hand, compared to advertising, sponsorships increase a publisher's relative dependence on any given sponsor.
- *Existing prospects:* You may already have an established group of potential sponsors for your transforming your publication to Open Access. Within a learned society context, for example, this might be corporate members, conference sponsors, and the like. Similarly, within a university context, supporters amongst corporate foundations might want to sponsor the Open Access initiative. Clearly, existing affinity relationships should be explored for potential expansion to journal and site sponsorships (within the parameters of the sponsorship guidelines outlined below). In the university setting, the Development Office can often provide guidance on these relationships.
- *User receptivity:* As noted above, relevant advertising messages seldom distress journal users. Still less sponsorships.

With the exception of advertising, corporate sponsorships should combine well with many of the other business model components catalogued here.<sup>25</sup> For example, a corporate sponsor might fund a program that provides grants to authors who lack institutional funding to cover article processing fees. Or a sponsor might underwrite a particular section or feature of a journal. Whatever the sponsorship format, existing journals with strong brand and market positions should prove particularly appealing to potential sponsors.

A journal that entertains a sponsorship program will need to develop an "underwriting" or "sponsored publishing" policy to protect the journal's integrity and quality. These guidelines establish the general principles for determining the acceptability of sponsorship funders, and are intended to:

- Ensure that editorial control remains entirely with the journal;
- Avoid funding arrangements that might create the perception that editorial content has been inappropriately influenced by the funding sponsors; and
- Protect and preserve the noncommercial character of a nonprofit journal.

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<sup>24</sup> We thank Cathy Hogan, Senior Director of Program Underwriting Policy at the Public Broadcasting Service (PBS), for this information.

<sup>25</sup> Sponsors may demand exclusivity or near-exclusivity, which may be incompatible with a simultaneous advertising program.

To determine the acceptability of funding, a journal will want to apply several “tests” to each proposed funding arrangement:

- **Editorial Control Test:** Editorial control must remain with the society or journal editorial board. Sponsors/funders cannot be allowed to exercise any editorial control. Sponsorship agreements must clearly and explicitly articulate this point.
- **Perception Test:** Perhaps the most difficult issue is the possible public perception of editorial involvement and the direct and immediate interest of the funder in the editorial content. Therefore, the journal must guard against the public perception that editorial control might have been exercised by any journal sponsor. This perception will sometimes increase the more direct the connection between the sponsor’s business interests and the subject matter of the journal. Additionally, the perceived *character* of the sponsor’s interests is important. In order to help guard against the perception of editorial influence:
  - Funding should be sought for the journal as a whole and on an on-going basis, rather than for individual articles or issues. This will help avoid situations where a funder seeks—or appears to seek—to fund only those issues of a journal in which it has a particular interest.
  - In some cases, the joining of a problematic funder with one or more neutral funders may make the problematic funder acceptable, as any perception that it exercised content control would be mitigated by the presence of other funders.
  - **Commercialism Test:** Sometimes there will be less concern that the funding might bring about actual sponsor influence, than that the reputation of the journal will suffer from a funding arrangement that is so self-serving that a reasonable audience could conclude that the journal is publishing largely to promote the sponsor’s products, services, or other business interests.

Once a journal approves a sponsor funding arrangement, it will want to ensure that the appearance and overall effect of the credit given to the sponsor is in keeping with the editorial integrity and noncommercial character of the journal. To this end, the journal may want to establish some simple rules governing the content and appearance of the sponsorship credit (whether it appears online, in print, or both). Such rules could include:

- **Nature of acknowledgement/credit:** The nature of a sponsor acknowledgement may vary depending on the policies of the journal and the expectations of the sponsor. In some cases, the sponsor acknowledgement may be limited to a textual credit (e.g., Funding for the *ABC Journal* provided by Acme Corporation). In others, the acknowledgement will take the form of a banner graphic (adhering to guidelines the journal has established). Whether textual or graphical, the credit may be linked to a page providing a fuller explanation of the sponsorship terms. This can be especially useful in instances where a journal accepts multiple funding sponsors. In this way, the journal can acknowledge multiple sponsors without cluttering the journal’s appearance. You may wish to use the words “in part” to describe instances where the sponsor provides partial funding for the journal’s operation (e.g., Open Access to this journal is made possible in part by Acme Corporation).

- Sponsor Name and/or Logo: All funders should be identified by their name and/or logo. If the logo does not adequately disclose the sponsor's identity, then the sponsor's name should be stated. In some instances, the name of a corporation and its brand name are the same. In other cases, however, brand names are neither the corporation's name nor the name of a division or subsidiary of the parent company. In such cases, the brand name could be used, but the accountable corporate entity should be fully and clearly disclosed in the sponsorship credit. The goal is to prevent turning the sponsorship credit into a product pitch, while clearly disclosing the funding source.
- Use of service marks and slogans: Slogans and corporate positioning statements may be acceptable to the journal as long as they do not include an explicit or specific:
  - Call to action (e.g., "Buy . . .").
  - Superlative description or qualitative claim about the company or its products or services or direct comparison with other companies' products or services.
  - Price or value information or inducements to buy.
  - Endorsement (e.g., "recommended by 4 out of 5 scientists . . .").

Of course, the sponsor could choose to include a message in support of the journal or its availability via Open Access (e.g., *ABC Journal* is sponsored in part by a grant from Acme Corporation, which supports Open Access to [name of discipline] research."

- Identification of products/services and product lines: To identify a funder, a specific product or brand name may be identified in the sponsor acknowledgement graphic (e.g., Sponsored by Acme Computer, makers of the Z-11 notebook and other computers for academic and business use).
- Use of web addresses and toll-free numbers: The journal may choose to allow sponsors to include either a web address or telephone number. Allowing only one would minimize screen clutter. The web address or telephone number should not spell out a call to action (e.g., [www.buyacme.com](http://www.buyacme.com) or 1-800-CALL NOW).
- In-kind contributions might, in some instances, be substantial enough to merit explicit online recognition. In such cases, the journal may elect to recognize such contributions in a manner that will credit the provider(s) without competing or conflicting with the sponsorship credit discussed here.

A journal will need to adapt the guidelines proposed above to its particular circumstances and requirements. Again, such guidelines are intended to protect both the journal's editorial independence and perception of the journal's integrity and quality.

### ***Co-hosting of conferences and exhibits***

Rarely will a journal by itself possess the strength and resources to independently promote and host a conference profitably. However, for an Open Access journal published outside of a learned society, one might find that the co-hosting of a conference with a society will benefit both hosts strategically and economically. Unfortunately, it is the relatively rare event that generates a substantial net profit. For a learned society to

consider allowing an external publisher to co-host, the publisher must be able to demonstrate a clear potential to improve the society's attendance, visibility, and revenue. Among the benefits of co-hosting with the journal that could be presented are the journal's value as a venue for conference publicity and promotion, its prestige, its access to a cadre of leading scholars and scientists, and a readership that may extend well beyond the society's own target communities for conference attendance. Also, for a conference that includes exhibits, the journal may present influential access to prospective exhibitors through its affinity relationships with advertisers and/or sponsors.

## **ALTERNATIVE DISTRIBUTORS**

### ***Convenience-format licenses or distributor format fee***

Open access publishers that control significant bodies of content may be able to generate additional revenue by providing convenience data files to third-party information aggregators and distributors. For example, publishers of law reviews or other journals in legal fields might license the content for distribution to law firms and corporate legal offices via LEXIS-NEXIS and/or WestLaw.<sup>26</sup> Or, a publisher with multiple journals in a scientific field might provide the data file to a legal information service, which could provide access to its customers for use in patent prior-art searches. Providing the data in a single file, as is or in a distributor-determined standard format, would deliver real convenience value to the aggregator. For their part, the aggregator's customers would perceive value in having convenient access to relevant content they would otherwise have to discover on their own (a convenience for which they are willing to pay the aggregator, even when the same content is accessible free via Open Access). With the right content and the right aggregator, a journal publisher could charge significant convenience fees. The potential fee would depend on the content's appeal to the distributor's customers and may be either a flat-rate or variable royalty (based on some agreed-to measurement of usage), or a combination of both.

While many small publishers would not control sufficient content to justify this model, they could collaborate with other publishers of similar content to aggregate such files and offer them as a stronger group to alternative distributors.

## **RELATED PRODUCTS AND SERVICES**

### ***Journal publication in off-line media (print or CD-ROM)***

Publishing a fee-based print edition (or, if there is demand, a CD-ROM edition, such as an annual archival volume) that complements your online Open Access journal provides a way to serve the needs—both actual (convenience, archiving, etc.) and perceived (prestige)—of those individual and institutional users that require print.<sup>27</sup> This may also satisfy the desires of authors who see print as a validation of their work. You can provide such a complementary print edition in a variety of ways, including:

- *A cumulative print edition* that appears at the end of the volume year:

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<sup>26</sup> *Michigan Telecommunications and Technology Law Review*, for example, has licensed its content to both LEXIS-NEXIS and WestLaw (see <http://www.mttl.org/>).

<sup>27</sup> A number of journals that offer print subscriptions appear to fund the online availability through surplus income from the print sales (see, for example, *Acta Mathematica Universitatis Comenianae*; <http://pc2.iam.fmph.uniba.sk/amuc/>). However, the extent of this practice is unclear, as few journals explicitly state the relationship explicitly.

To address the needs of individual and institutional users that value print for archival and convenience (ready reference) purposes, you can offer a print version that aggregates the papers published previously in digital format. How closely the print edition mirrors the online version will depend on the types of digital content your journal publishes; large data sets, audio and video, and three-dimensional modeling would necessarily remain exclusively digital. Although the total pages published during the year may prove less predictable with an electronic format, a cumulative annual edition allows you to determine beforehand how many pages you will be printing. While the page counts between volumes might fluctuate significantly, implementing value-based pricing and a standing order option would make income projections more reliable.

Some publishers will want to price their print editions on a cost-recovery basis, covering the direct and indirect expenses relating to print production and fulfillment.<sup>28</sup> Others will want to generate a surplus (income after direct expenses) with their print version, in order to partially offset the journal's overall operating costs. Unless utilizing print-on-demand technology, the cost recovery basis will depend, in either event, on scale, so it is important to accurately project the demand for such print units when establishing the per unit price.

- *A simultaneous print edition* that may provide additional, non-research content not available through the online Open Access version:

Publishing a print edition simultaneous with the online version allows you to satisfy any strong market demand for a traditional print journal and possibly to provide value-added content to the print version (as well as a potential additional vehicle for selling advertising), thus generating incremental revenue. Additional content could include correspondence, editorials, job postings, event calendars, and other information of value to a particular research community. In practice, this will often translate into continuing the print journal while making only the research content available online via Open Access. In these cases, publishers will need to maintain the value of the print in order to minimize erosion of existing print subscription revenue.

### ***Value-added fee-based services***

There are a number of value-added services that publishers can provide to increase the usability and appeal of a journal's research content. Publishers often include such features to add value to their online journal services. Typically, services such as those described below will need to be offered as a package in order to justify even a modest fee. Even then, it may be difficult for publishers to justify offering such services on a straight fee basis. However, the demographic information that can be gathered as part of the registration process for some of the services below can be used *on an aggregated basis* to support a journal's ad rates or sponsorship levels.<sup>29</sup>

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<sup>28</sup> For an example of this model, see Geometry and Topology Publications; see <http://www.maths.warwick.ac.uk/gt/gtp-subscription.html>.

<sup>29</sup> If you choose to gather such demographic information, be explicit in your privacy policy that you are not using any of the data on an individual basis and that you are not revealing email addresses to

Examples of possible value-added services include:

- *Alert services:* Automated alert services allow users to establish profiles of research interests (based, for example, on the journal's article indexing scheme) and to receive e-mail notification when the journal publishes an article in their specified area(s) of interest. Such alert services are particularly useful for electronic journals that publish articles as they become available. Additionally, they allow researchers in allied fields, but from outside the journal's user community proper, to passively track research.
- *Site customization:* Besides custom alerts, journals can provide additional user-defined settings that allow a user to customize the journal interface or other aspects of their interaction with the journal.<sup>30</sup> Customization allows the user to configure the journal or site interface and create a profile manually, adding and removing elements in the profile. The control of the look and/or content is explicit and under the direct control of the user.<sup>31</sup> This type of user customization can feature other research support tools, including saved searches.

Producing various versions of digital information services—for example, providing one or more of the value-added features described above—each with their own targeted market segments, perceived value, and willingness to purchase, is a well established method of maximizing the revenue generated by any given information asset or content set.<sup>32</sup> Such versioning requires an ability to manage the access to the various service levels. In their simplest form, Open Access e-journals would not require such potentially expensive access management and control systems. In fact, in many instances, the costs incurred by implementing such a system, in order to facilitate purchased service offerings, would consume most or all of the incremental income that such offerings might generate. The cost-to-benefits ratio should be considered carefully.

## **ELECTRONIC MARKETPLACE**

### ***Contextual E-commerce***

Professional societies or other Open Access journal publishers with sufficient goods and services to sell directly—their own and/or those of other parties—could launch an electronic commerce operation. E-commerce, of course, refers to “electronic trading” via the Internet, rather than over the phone, or by mail order, or at a physical retail outlet. Online ordering using a credit card via a secure system and server enables the customer to purchase the goods, which are then physically shipped to the customer, or which, when a

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third-parties. Even with these caveats, academic users tend to be wary of providing such information to any but the most trusted sources.

<sup>30</sup> A distinction is sometimes made between customization and personalization. While customization is user-driven, personalization involves an automated process of gathering user information during the user's interaction with a web site; this information is then used to deliver appropriate content and services tailored to the user's needs. The services described here refer to user-specified customization.

<sup>31</sup> For an example of interface customization in an academic library setting, see North Carolina State University's *MyLibrary* initiative (see <http://my.lib.ncsu.edu/>).

<sup>32</sup> Most versioning based on online content currency, update frequency, and depth is anathema to Open Access principles. The versioning discussed here refers only to value-added service features, such as alerts and other customization.

digital publication is the product, can be made immediately available to the purchaser.<sup>33</sup> The e-commerce in which a journal might engage to generate income may be substantial, such as an online bookstore, or relatively slight, such as tee shirts and coffee mugs.<sup>34</sup>

The journal's e-commerce operation could sell its own goods and services or it could sell the goods and services of others. For example, a society publisher could offer information products, extended learning programs (for example, continuing education, professional certification, etc.), society-sponsored insurance, and the like. Additionally, an online journal's web site may prove an excellent outlet for monographs published by university presses seeking new marketing channels, or by a society looking to sell conference registrations to a broader audience. One of the critical success drivers for this type of contextual e-commerce will be the relevance of the goods and services offered to the journal's audience.

There need be little financial risk inherent in a properly-designed e-commerce program, although it can be time-consuming. Physical goods need not be inventoried; rather, they can be drop-shipped to customers as ordered, particularly for products for which the site acts as intermediary but not the actual producer. The costs of mounting an e-commerce capability are relatively low and mostly variable; that is, after generally modest fixed costs, incremental expenses will increase only in proportion to sales. Margins can be attractive if the automation is maximized and staff time for order processing and fulfillment is minimized. While supporting e-commerce increases the complexity of your site's operation, the technical infrastructure (and even the secure processing of credit card payments) can be outsourced. Many full-service vendors can perform all or part of the e-commerce solution, often at competitive rates.

Whether an e-commerce program can be a viable component of your journal's business model will depend on a number of key factors involving the range of products and services that could be offered profitably and the willingness of the organization to undertake obligations and potential liabilities as a purveyor of goods and services (some or all of which may be produced by others). Possibly, just the idea of engaging in e-commerce will foster controversy: some key participants and supporters of the Open Access journal may view such a program as being too commercial or off-mission. Selecting products and services with a close and qualified relationship to the interests of the journal's readers, and proposing that e-commerce be conducted on an experimental basis for a time, might address these objections. It is difficult to predict the economic impact of e-commerce as a component of the journal's business model. If you are incorporating this into your plans, it would be prudent to be conservative in projecting both income and expenses.

### **Community Marketplace**

There are several business models in which a journal can leverage the natural target audience formed by its research community. These models—including advertising—if handled correctly, can provide useful information to the journals users. The viability of such web communities depends on online user loyalty—that is, the degree of user interaction with the site as opposed to sheer traffic volume. Web sites centered around an Open Access

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<sup>33</sup> For a practical guide to implementing an e-commerce component (from a US perspective), see Gary M. Grobman. *The Nonprofit Organization's Guide to E-Commerce*. (Harrisburg, Pennsylvania: White Hat Communications), 2001.

<sup>34</sup> For an example of the former, see Priory Lodge Education's bookstore; <http://www.priory.com/psybkshp.htm>); and for an example of the latter, see <http://nsr.mij.mrs.org/info/stuff.html>).

journal, where online users may be contributors as well as readers, lend themselves naturally to a community marketplace, particularly when the journal's user base is large.

In one scenario, the publisher provides a transaction space (sometimes referred to as a "mall") where site users can interact with relevant service and product providers. The third-party products and services included in the community marketplace should reflect the needs of the journal's users. In some instances, one might limit participation to information providers—of both print and online services—allowing users of the site to discover, review, and even purchase relevant monographs, course packs, and other information products (as part of an e-commerce program, as discussed above). In other cases, one might allow participation by a variety of providers of goods and services pertinent to site users' interests, such as equipment for a research lab or field work, or specialized application programs for data analysis.

Often, the third-party participants in the interactive community will be the same as, or similar to, advertisers (if the journal has an advertising program). However, unlike web advertising programs (see above), which may link the user to a third-party site presenting marketing information and sales offers, this transactional space facilitates the direct interaction of site users with vendors and others on the journal's site itself. This market space allows site users to find relevant product information, conduct product research, make inquiries, and even initiate purchases. Income for the journal's publisher as community host would be derived by charges to the third-party participants. This may take the form of fees based on traffic or transactions, sales commissions (a percentage of any actual sale), flat rates for a location in the community, or as some combination of these. Well-chosen third-party participants could increase the journal site's appeal to users, as well as the amount of time users spend at the site (a key metric for indicating the site's value to users).

When operated in combination with an advertising program, a journal could use the community marketplace as a means to increase site traffic volume and the amount of time users spend at the site. This, in turn, increases the site's appeal to advertisers and boosts the advertising rates that can be charged.

If not carefully designed and planned, the e-commerce models described above can entail relatively high administrative and technical costs. Further, they can represent a significant strategic shift for many publishers, and lead a publisher beyond its core competencies. On the other hand, partnering with other publishers with similar markets would effectively lower each publisher's costs and risks, while increasing the audience for such activities.

### **BUSINESS MODEL COMPONENTS: INTERNAL AND EXTERNAL SUBSIDIES**

Besides the cost recovery models described above, in some instances publishers will find it necessary to rely on either external or internal subsidies. Typically, though not invariably, external subsidies may help a publisher offset one-time costs associated with a conversion to an Open Access model, rather than support ongoing operations. Therefore, most Open Access journals will also need to implement some form of self-generating income model to support ongoing operations.

Some may contend that reliance on external or internal subsidies, whether direct or indirect, cash or in-kind, may obscure the true costs of publishing and allow some journals

to avoid challenges faced by others to which such subsidies are not available. In this view, proposing subsidies as a viable business component encourages journals to self-delusion and leads them, ultimately, to failure.

It is, of course, true that publishers should not rely on uncertain philanthropic subsidies to prop up otherwise unsupportable business models. However, for some journals, subsidies can provide a valuable means to fund the conversion to Open Access. For others, in-kind contributions can help support ongoing operations. All such subsidies should be formally recognized, fully accounted for, and carefully managed to ensure their continuity. However, the fact that not all publishers can benefit from such subsidies should not preclude their application by those that can. Nor should a business plan that prudently incorporates subsidies be dismissed as lacking reality.

## **INTERNAL SUBSIDIES**

### ***Dues Surcharge***

While external sources of subsidies offer the greatest potential for substantial developmental (and, rarely, operational) funding, subsidy sources can also be tapped from within a publishing organization. Such sources would most frequently be available in nonprofit and membership organizations.

Increasing member dues to help subsidize Open Access publishing is, of course, a possibility only for membership organizations. Although potentially controversial—for some societies, any discussion of a dues increase will generate dissent—some membership organizations may give more than a passing thought to this possibility.

A dues surcharge—a dues increase that would make member dues account for a larger proportion of total publication costs—would rest on the logic that an organization's members are those most likely to benefit from the publication program. Many learned societies, in particular, began as voluntary associations to support publishing and related research-related activities. These publishing programs were originally intended to serve individual members, with supplemental income streams in the form of institutional subscriptions coming later. For many organizations, therefore, extending member support to subsidize the entire journal may represent a return to the organization's original publishing mission.

A dues surcharge raises membership cancellation and "free rider" issues: that is, members may drop out of an organization and take advantage of Open Access availability. The success of Open Access proposals in membership organizations rests largely on the assumption that society membership delivers other benefits—both tangible (such as conference participation) and intangible (such as desire to support and be associated with a field)—beyond the publication itself. (And, of course, many organizations maintain members without offering any publication.) To help combat this "free rider" behavior, the organization might have to effect collateral policy changes—for example, requiring membership for conference participation, raising various participation fees for non-members, and the like.

Instead of seeking to impose a dues surcharge on all members, one might still accomplish much the same financial result via voluntary member contributions. Members can be asked to accept or reject a proposed amount added to their dues annually for support of the Open Access publishing initiative, a variation on the "Dues Surcharge" model discussed above. Members may be one's best potential sources of contributions. If the society or other organization has institutional and/or corporate members, their representatives may be even more amenable to the proposal.

## GRANTS AND CONTRIBUTIONS

### *Foundation Grants*

Grants from foundations and other philanthropic organizations can provide a source of funding to offset one-time costs that may attend the transformation of a subscription-based journal to an Open Access model. Such grants typically support development projects and specify a finite grant amount for a set period of time. Although less common, some foundations will also fund ongoing journal operating costs.<sup>35</sup>

Possible grant sources include:

- *Private foundations:* Private foundations are nonprofit, non-governmental organizations with an endowment (typically donated from a single source) and grant-giving program managed by trustees or directors. Such foundations are established to aid educational, social, religious, or other charitable activities. Obviously, the most important criterion is that a foundation has a philanthropic mission that supports scholarly communications initiatives in the same subject area as your journal.
- *Corporate funders:* Corporate funding might derive from corporate foundations or from corporate giving programs. A corporate foundation is a private, company-sponsored foundation that obtains its assets from a for-profit enterprise. While a corporate foundation is an independent entity with its own endowment and organization, it may maintain close ties with the company that created it. Corporate giving programs are grant-making programs administered from within a for-profit business. Some companies make charitable contributions through both types of programs. When dealing with corporate foundations or corporate giving programs, prudence dictates that you develop and apply underwriting policies (such as those described above for sponsorships) to ensure that you avoid any real or perceived conflict of interest between your journal's editorial integrity and the granting corporation.

Two other types of grant-making organizations—public charities (non-governmental charitable organizations that support grants programs) and community foundations (charitable organizations that serve a specific community or region)—often have philanthropic missions that support relief and other special programs, and would not typically provide sources for journal development funds. A variety of sources can help you identify private or corporate foundations with subject domain interests similar to your journal's (see Appendix III-B. Web Resources for Journal Publishers).

Identifying an appropriate foundation and applying for a grant can be a time-consuming task, but in many instances it provides a means by which a converting journal can fund all or most of its one-time switch-over costs. If you are at a university or other nonprofit research institution, your organization's Development Office may already have—or may be in the process of cultivating—relationships with corporate or private foundations that might meet your journal's funding profile. Further, these offices have experience that can help you position your project to appeal to various grant-making organizations. Where applicable, it makes sense to contact and/or coordinate your grant-seeking efforts with this office. Tapping into such a resource might also bring additional skills and visibility to both

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<sup>35</sup> Almost 10% of the journals listed in the *Lund Directory of Open Access Journals* are supported by foundations.

the grant request and the journal business case itself. Also, remember that such grants will usually only cover the initial conversion stage; you will need other sources to fund the journal's ongoing operation.

As a rule, foundation grants favor nonprofit initiatives and would be inappropriate for a commercial publisher seeking to establish an Open Access journal. In some instances, this might lead a commercial publisher to establish a nonprofit corporate entity to accommodate an Open Access publishing program.

### ***Institutional Grants and Subsidies***

If a journal's publisher, or a key sponsor, is affiliated with an academic or research institution, formal and informal subsidies from the institution can contribute substantially to defraying operating expenses. The Open Access journal may be able to make a case for such an institutional subsidy based on the prestige and increased visibility that the publication brings to the host institution. Funds may be obtained as a grant or subsidy. Often, however, such support will take the form of non-cash in-kind contributions (which are discussed more fully below).

When your move to Open Access entails implementing an electronic version of the journal for the first time, a university's library director may be able and willing to allocate some library staff resources to the design and implementation of indexing and metadata tagging schemes, as well as text formatting assistance.<sup>36</sup> In any event, the library director will often prove a valuable resource for many of the issues that a initiative must address.

### ***Government Grants***

As with foundation grants, discussed above, grants from government funding agencies may—depending on the country in which you are operating—provide a source of funds to develop an online Open Access journal. By and large, however, government funding agencies tend to allocate their support to the conduct of project- and subject-specific research, and not its dissemination, which is the focus of an Open Access journal. This may change, and developers and potential publishers should be observant of any realistic opportunities for government grants that may emerge. Universities or researchers engaged in especially large-scale or long-term projects might consider attempting to solicit or negotiate a government grant that extends beyond research support to also encompass dissemination.<sup>37</sup>

### ***Gifts and Fundraising***

The foundation grants described above can provide an efficient means to generate development funds for a converting journal. In contrast, relying on smaller gifts from individual donors will increase your organization's fundraising costs (however they might be measured). Whether this is a material concern will depend on the role such fundraising plays in your funding model. While few publishers would want to rely on annual fundraising as a recurring program to cover operating costs, some journals have attracted donations

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<sup>36</sup> In some instances—for example, the *Journal of Insect Science* at the University of Arizona, *Electronic Transactions on Numerical Analysis* at Kent State University, and the *Electronic Green Journal* at the University of Idaho—the library will act as the principal sponsor for the journal..

<sup>37</sup> The Public Access to Science Act was introduced recently by U.S. Representative Martin Sabo, Democrat of Minnesota, to exclude from copyright works resulting from scientific research substantially funded by the United States government, and to make the results of such research available to the public through Open Access. See Warren E. Leary, "Measure Calls for Wider Access to Federally Financed Research," *The New York Times*, June 26, 2003.

from multiple sources, including individuals, museums, universities, art galleries, corporations, and foundations.<sup>38</sup>

Where a journal's operating costs are by necessity relatively high, fundraising might make sense as a means to endow a capital fund to fuel ongoing operations.<sup>39</sup> An endowment refers to a sum of money where access to the principal is prohibited, but where endowment income is received by an Open Access journal to support its operations. It is difficult to assess the number of Open Access journals actually supported by endowments, as such funding is frequently channeled through a society, institute, or foundation publishing the journal. However, some independent Open Access journals do promote contributions to their endowments.<sup>40</sup> When soliciting such contributions, it is important to indicate how the endowment is managed, to ensure donor confidence that their contribution will be responsibly managed.

The capital base required to generate sufficient return for this purpose will depend on the journal's expense structure. This would provide for a sustainable income stream and obviate annual fundraising efforts. Fundraising is a particularly challenging and competitive pursuit, but it represents just one way to endow a capital fund. Several of the other programs (corporate sponsorships, for example) discussed here could be applied to the same purpose. In most cases, you should acknowledge that support has been provided by a third-party endowment, or a major donor to an endowment, following the same guidelines as described above under "Sponsorships."

In an academic setting, Open Access scholarly journals—by design, both perpetual and public—provide attractive candidates for named gift opportunities. Potential donors are often attracted by the opportunity to be recognized in perpetuity through the activities funded by their endowment, or other long-term support commitment. Journals that appeal to alumnae (for example, law reviews) might find a systematic cultivation of benefactors worthwhile.<sup>41</sup> Similarly, journals that appeal to a specific market, such as law firms, might establish a corporate giving program similar to those used by their host institutions.<sup>42</sup> Again, journal publishers in an academic environment would do well to work with their university's Development Office in implementing such a program, both to gain from the office's expertise and to coordinate efforts to avoid competing for the same donors.

### **Voluntary Contributors**

The voluntary contributor model is a more public form of fundraising, similar to the model used by not-for-profit public radio and television broadcasting in the United States. In scholarly publishing, this assumes a community of users<sup>43</sup> who give support to the journal through voluntary donations. Examples of Open Access journals that solicit

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<sup>38</sup> See, for example, *Nineteenth-Century Art Worldwide* (<http://19thc-artworldwide.org/sponsorship.html>) and *Voices* (<http://www.voices.no/sponsors/sponsor1.html>).

<sup>39</sup> In countries where such fundraising traditions do not exist, government or foundation funding of the endowment might be sought.

<sup>40</sup> See, for example, *Americana: the journal of American popular culture* ([http://www.americanpopularculture.com/journal/endowment\\_fund.htm](http://www.americanpopularculture.com/journal/endowment_fund.htm)).

<sup>41</sup> See, for example, the *Indiana Law Journal* (<http://law.indiana.edu/ilj/benefactors.shtml>).

<sup>42</sup> See, for example, the *Michigan Telecommunications and Technology Law Review* (<http://www.mttl.org/html/Donors.html>).

<sup>43</sup> See the discussion of user communities below under "Community Marketplace."

donations online include the *Journal of Buddhist Ethics*,<sup>44</sup> *Other Voices: the (e)journal of Cultural Criticism*,<sup>45</sup> and *Esoterica: the Journal of Esoteric Studies*.<sup>46</sup> As these journals demonstrate, soliciting such donations need not be disruptive or disproportionately time-consuming. Appeals for donations will likely prove more successful if the journal makes it as easy as possible for readers to contribute.<sup>47</sup>

### ***In-kind Contributions***

An “in-kind” contribution is a non-cash donation of a tangible resource or asset made by a donor to help support your journal’s electronic development and/or ongoing operations. In-kind donations potentially relevant to a journal publisher might include: staff time; office space; use of office equipment; supplies; use of computer hardware and software; special services such as web site design and implementation, bookkeeping, or digital production (content formatting and tagging); printing; and professional services such as legal and accounting services. Sometimes, an in-kind contribution to the journal can be realized through a parent organization’s willingness not to allocate any administrative and overhead charges.

Most in-kind contributors for scholarly communications are found in institutions, societies, and other organizations with which a publication or project is affiliated, either directly or indirectly. Indeed, well over half of Open Access journals receive some level of in-kind university support and almost a fifth receive some support from one or more learned or professional societies.<sup>48</sup> A journal publisher within an academic setting may obtain staff support, an office and the use of certain equipment without charge by its university or its library. Similarly, work-study help from students can represent a valuable resource, if one sometimes lacking in continuity and consistency.

While most foundation grants are cash contributions, some corporate gifts assume the form of in-kind contributions (for example, a no-charge license to use software which might otherwise represent a considerable expenditure). Significant *ex gratia* discounts on goods and services from commercial vendors, which also help your journal preserve precious cash, also may be considered as in-kind contributions.

Depending on the nature of the in-kind contribution, the donor may retain some degree of control over the donation (for example, if a web services provider or a printer provides some added services at no charge or below market rate). This implies a relationship between your journal and the donor that requires attention and maintenance (for example, keeping the donor informed and satisfied with the relationship).

In-kind contributions deserve attention as a potentially valuable component of a number of business/funding models. Such non-cash contributions, as a percentage of overall corporate giving, appear to be increasing significantly, and are especially prevalent

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<sup>44</sup> See <http://jbe.gold.ac.uk/dana.html>.

<sup>45</sup> See <http://www.othervoices.org/subscriptions.html>.

<sup>46</sup> See <http://www.esoteric.msu.edu/Support.htm>.

<sup>47</sup> *Voices*, for example, allows readers to contribute via major credit cards (see <http://www.voices.no/info/infosub.html>).

<sup>48</sup> Based on an analysis of the *Directory of Open Access Journals*, maintained by Lund University Libraries (see: <http://www.doaj.org/>).

with software and hardware companies.<sup>49</sup> In addition to the gifts and fundraising model discussed in this section, in-kind contributions may form part of corporate sponsorships, institutional subsidies, partnerships, advertising, and other models. As noted above, in-kind contributions should be formally recognized, accounted for, and managed to ensure their continuity. Journals must recognize that in-kind subsidies require resources to administer and maintain, just as self-generating funding models do. Ideally, all in-kind arrangements and their terms will be explicitly articulated and agreed to by the journal and the contributing entity. Implicit in-kind arrangements, even of long-standing, must be recognized as financial risks and contingency plans developed (for example, while the current administration of a university supports the journal and authorizes an in-kind contribution, changes in that administration may result in a down-scaling or elimination of the support).

## **PARTNERSHIPS**

The Open Access journal publisher may find it productive, even essential, to establish an arrangement involving resource contributions by two or more organizations with interrelated missions and complementary strengths. Various inter-organizational partnership possibilities exist for the Open Access publisher, who might construct an arrangement and business relationship involving resource contributions to the program by its partners.<sup>50</sup> A partnership between a learned society and an academic institution, for example, could meld the relevant strengths of each.<sup>51</sup> A society/university partnership can be especially effective because of the shared commitment to improving the scholarly communications process. Typically, the society represents the interests of its scholarly discipline, and may also possess a high degree of expertise in journal editorship and publishing. A university's library (or a consortium of libraries) brings to the enterprise such complementary resources as web dissemination infrastructure and technical know-how, as well as visibility and credibility in the scholarly community and the institutional marketplace.

In some disciplines, a subscription-based journal converting to Open Access might have the option to partner with an online publishing service bureau. Such service bureaus, whether nonprofit or commercial, provide free or low-cost Open Access publishing services in exchange for the opportunity to develop a modest revenue stream from the site traffic the Open Access content generates. Often, these firms combine an article processing fee model with an online advertising model to generate revenue (for more about these models, see below). For example, in the life sciences and medicine, several commercial firms offer online Open Access publishing services, allowing journal editors to focus on editorial and content issues, without investing in a technical or business infrastructure. Currently, such services are limited primarily to scientific fields, but similar options might become available to publishers in the social sciences and humanities. Of course, the financial viability and market position of such partners must be an important consideration in evaluating the attractiveness of any partnership.

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<sup>49</sup> See Debra E. Blum. "Corporate Gifts Rose 18% in 1999." *The Chronicle of Philanthropy* e-mail newsletter (January 1, 2001).

<sup>50</sup> For example, *Palaeontologia Electronica*, published by the Texas A & M University, Department of Oceanography, is sponsored by eight societies related to paleontology (see <http://palaeo-electronica.org/toc.htm>).

<sup>51</sup> See, for example, *Electronic Journal of Probability* (<http://www.math.washington.edu/~ejpecp/>), *The Electronic Journal of Linear Algebra* (<http://www.math.technion.ac.il/iic/ela/>), and the *Journal of Physical Studies* (<http://www.ktf.franko.lviv.ua/JPS/index.html>).

In any type of partnership, it is essential that one position and person be designated as the ultimate manager or chief operating officer, and with that designation, act to coordinate and oversee all partners' activities, and to ensure implementation of the plans and policies approved by whatever body and mechanism is established for governance. Contributions to, or investments in, the partnership may involve a combination of cash and non-cash, determined on some mutually agreeable basis. In some instances, such partnerships will increase the potential for a journal's success and spread risks that neither party could afford to accept individually.

## II-B. Why a Business Plan is Essential

A proper business plan serves as a map. Use it to establish the points along the route, indicating why each is important and how it can best be reached. The plan builds from mission and values to justification, strategies, tactics, actions, and expected results. This last must establish what constitutes success, and should be measured both quantitatively and qualitatively.

Your plan serves as one of the most important early-stage tools for project-related communications. It is an exercise in documenting the thoroughness and validity of your research and planning. You will use it to obtain advice and criticism, to reach agreement, and to secure participation and support. Once finalized, you will use it as your principal guide to implementation and to measuring success. (Parts of the plan, particularly the financials—budget and projections—will be updated annually, as will tactics and action plans in need of correction or refinement.) Your plan lays the foundation for your conversion to an Open Access model and guides it through product design and implementation (if needed), market re-launch as an Open Access journal, and ongoing publishing operations. Comprehensive business and financial planning increases the likelihood of the venture’s success.

### KEY PRINCIPLES AND QUESTIONS

The planning process serves many useful purposes, regardless of the model you choose to adopt and the environment in which you will operate. For example:

| <b>An effective planning process will ...</b>    | <b>By . . .</b>  |
|--|--|
| Generate enthusiasm, build consensus             | <ul style="list-style-type: none"> <li>• Focusing the efforts of the core planning and development team.</li> <li>• Allowing key players to sign on and share ownership early in the process.</li> </ul>   |
| Size the effort                                  | <ul style="list-style-type: none"> <li>• Serving as a mechanism to determine the scope and magnitude of the project.</li> <li>• Identifying and quantifying the core competencies and resources required for the project.</li> </ul>                     |
| Assess the situation                             | <ul style="list-style-type: none"> <li>• Recognizing key opportunities and challenges, possible risks and barriers to overcome, and potential rewards.</li> <li>• Encouraging objective analysis.</li> </ul>   |
| Set expectations, define success, garner support | <ul style="list-style-type: none"> <li>• Establishing realistic expectations.</li> <li>• Identifying success criteria and how measured.</li> <li>• Serving as a <i>prospectus</i> to seek and establish or confirm support and participation.</li> </ul> |

Besides providing a map for implementation and the basis for guiding and tracking progress, business plans may also serve as a prospectus for potential supporters and participants. Each plan writer or team will have a different style and approach. Here are some general suggestions that most will want to follow:

| <b>As you prepare your plan...</b>                       |  |
|--|--|
| Consider the audience                                    | <ul style="list-style-type: none"> <li>• The plan is for your own use, but it is also a principal tool for communication to others, perhaps a diverse group within universities, faculty departments, libraries, societies and associations, institutes, agencies, foundations, nonprofit presses and publishers, research centers, and/or sponsors.</li> <li>• Your style should reflect your audience’s shared interests.</li> <li>• Do not get too technical (assume some readers are not as expert as you in the subject).</li> <li>• Present your case in a way that any educated person can understand.</li> </ul> |
| Aim for clarity  | <ul style="list-style-type: none"> <li>• Your content must be clear and pertinent to all readers, from scientists and scholars to hard-headed business people.</li> </ul>  |
| Be persuasive and reassuring                             | <ul style="list-style-type: none"> <li>• Not everyone is pre-disposed to Open Access publishing; some may need to be persuaded.</li> <li>• Your text should reflect enthusiasm and optimism, but should avoid overstatement and hyperbole.</li> </ul>  |
| Take a multi-year view                                   | <ul style="list-style-type: none"> <li>• A business plan will typically present at least a three-year outlook, with up to five years projected if practical.</li> </ul>  |
| Focus on the critical early stage                        | <ul style="list-style-type: none"> <li>• The greatest emphasis in action planning and milestones should be placed on the first 12 to 24 months after conversion to an Open Access model.</li> <li>• In some circles, a multi-year plan is considered to be a “strategic plan” and a one-year plan is an “operating plan.” Ideally, <i>Version 1</i> of your Business Plan will be both.</li> </ul>   |
| Allow for review and revision                            | <ul style="list-style-type: none"> <li>• Indicate that the initial plan will be reviewed and updated periodically. Usually, a revised or new version will be created annually in conjunction with the budgeting process.</li> </ul>  |
| Achieve balanced content                                 | <ul style="list-style-type: none"> <li>• The document should be all-inclusive for material matters, though kept at a relatively high level.</li> <li>• Do not overlook important considerations, but do not present so much detail as to obscure the key points or challenge your readers’ willingness to examine the entire document.</li> </ul>  |
| Be cognizant of the document’s size, depth and structure | <ul style="list-style-type: none"> <li>• Document length and density do not necessarily signal that what you have to communicate is more or less worthy of consideration. Presenting readers with an overlong or poorly-structured document may be counter-productive.</li> <li>• Each chapter should be as long as needed to address its topics adequately, but not so drawn-out as to challenge the reader’s patience, obscure key points that should be seen easily, or make it difficult for developers and managers to actually use the plan as a guide to project execution.</li> </ul>                            |
| Use illustrations and exhibits                           | <ul style="list-style-type: none"> <li>• Adding diagrams and tables will improve the appearance of your document and will highlight important data.</li> <li>• Stylistically, many plan writers make extensive use of exhibits and attachments to avoid clutter and complexity in the main body of text.</li> </ul>  |

## **II-C. Resources for Developing a Business Plan**

A companion volume to this Guide—the *Model Business Plan: A Supplemental Guide for Open Access Journal Developers & Publishers*—contains a chapter-by-chapter outline to creating a business plan primarily to support a new Open Access journal.

The *Supplemental Guide* uses a chapter-by-chapter structure for a model plan, and within each of these chapters, presents topics and suggestions for your consideration.

1. Executive Summary
  2. Situational Analysis
  3. Project History, Status and Schedule
  4. The Journal or Service Description
  5. The Business and/or Funding Model
  6. Editorial, Content and Copyright Considerations
  7. Technology Considerations and Production Platform
  8. Online User Considerations
  9. Markets, Marketing, Sales and Pricing
  10. Organization and Staffing
  11. Financial Plan: Budget and Forecast
  12. Operating Plan
  13. Business Risks, Contingencies, and Mid-course Corrections
  14. Conclusion (or End Notes)
- Exhibits

You may wish to refer to that detailed plan outline when developing your own plan to convert your subscription-based journal to an Open Access model. Also, of course, there are many other self-help and how-to guides to business planning available on the web or in printed form (including those cited in Appendix III-B. Web Resources for Journal Publishers).

**Section III: APPENDICES**

**III-A. Potential Open Access Business and/or Funding Models:  
An Annotated Inventory**

| <i>Model</i>                  |                                   | <i>Description</i>  | <i>Advantages</i>   | <i>Disadvantages</i>   | <i>Indicated</i>   |
|-------------------------------|-----------------------------------|---|---|--|--|
| <b>Self-generated Income</b>  |                                   |   |   |  |  |
| <b>Input Fees</b>             | <b>Article processing charges</b> | Assessing fees from authors or their proxies to offset publication expenses.  | Distributes costs across individuals and institutions that benefit most directly from research publication. | Not acceptable to all disciplines.   | For disciplines with an existing practice of page charges, or those open to new publishing practices.              |
|                               | <b>Off-print sales</b>            | Article processing charges that provide authors with PDF "reprints."  | Little or no additional cost incurred by publisher.   | Requires author demand for digital off-prints.   | For journals willing to publish online in HTML only, increasing the appeal of PDF off-prints.                      |
| <b>Affinity Relationships</b> | <b>Advertising</b>                | Web-based advertising relevant to journal's target audience.  | Can generate ancillary income stream while providing worthwhile information to readers.                     | Most small and single-title publishers will lack sufficient scale (user demographics) to generate substantial income.          | For multi-journal publishers and small or single-title publishers with target audiences attractive to advertisers. |
|                               | <b>Sponsorships</b>               | Corporate sponsorships that subsidize all or part of operating expenses, often in exchange for sponsor recognition. | Less resource-intensive to maintain than a multiple advertiser program.                                     | Poses potential conflict of interest concerns.   | For journals serving audiences shared by non-controversial corporate sponsor.                                      |
|                               | <b>Conference co-hosting</b>      | Co-hosting of a conference to generate income or marketing awareness.   | Increases journal brand position while generating modest income.  | Presupposes sufficient journal prestige and credibility to appeal to a conference sponsor. Income may not even cover expenses. | For non-society journals that align well with an existing or potential new conference.                             |

| <i>Model</i>                           | <i>Description</i>                           | <i>Advantages</i>   | <i>Disadvantages</i>  | <i>Indicated</i>   |   |
|--|--|---|---|--|---|
| <b>Self-generated Income</b> continued |  |   |   |  |   |
| <b>Alternative Distributors</b>        | <b>Convenience format licenses</b>           | Journal provides content to third-party distributors in format convenient for distribution to non-research and ancillary markets.                     | Generates incremental income while making content available to audiences that would otherwise be unaware of it and/or that may have special value-added requirements the third-party distributor can satisfy. | Requires sufficient content depth to provide value to third-party distributors. Might incur some author or sponsor resistance. | For content that can be repurposed for secondary markets (e.g., for patent prior art research). |
|  | <b>Electronic Marketplace</b>                | <b>E-commerce</b>   | Selling goods or services online to journal site visitors.  | Can generate additional income while providing relevant goods and services to online users.                                    | Complicates technical implementation and may incur additional development and operating costs.  |
| <b>Community marketplace</b>           |  | Journal site provides transactional space for relevant vendors and third parties to provide information and/or products and services to online users. | Can increase interest in the site while providing useful service to users, promote more frequent visits.  | Complicates technical implementation and incurs additional development and operating costs.                                    | For journals serving well-defined communities of sufficient size to support marketplace.        |
| <b>Complementary Products</b>          | <b>Journal publication in off-line media</b> | Print or CD-ROM edition of the online Open Access journal, with or without added features or content.   | Generates income via fee-based convenience and/or archival copy. Can provide additional advertising venue.  | Reconciliation of multiple online editions can complicate publishing process.  | For journals serving markets with sufficient demand for off-line editions.                      |

| <i>Model</i>                           | <i>Description</i>                        | <i>Advantages</i>  | <i>Disadvantages</i>  | <i>Indicated</i>  |   |
|--|---|--|---|---|---|
| <b>Self-generated Income</b> continued |   |  |   |   |   |
| <b>Complementary</b> continued         | <b>Other publications</b>                 | Publication of other (generally non-research) products.  | Generates additional revenue and reinforces journal's market position.                      | Requires product concepts capable of generating sufficient revenue to offset journal operating costs and additional resources for the other publications. | For journals with user communities that require directories, conference proceedings, and/or other information products.   |
|  | <b>Value-added fee-based services</b>     | Fee-based services that enhance the use or utility of the Open Access content.                 | Provides a logical complement to the Open Access journal, as well as ancillary income.      | Complicates technical implementation. Marginal value perceived by some users of some features.  | For publishers, of multiple journals, that can distribute costs across larger customer bases.   |
| <b>Dues Surcharge</b>                  | <b>Dues surcharge</b>                     | Increasing society member dues, voluntarily or otherwise, to subsidize Open Access publishing. | Maintains existing membership dues model. Potential to be well-received if framed properly. | Mandatory dues increase (even if modest) off-putting to members who consider dues the equivalent of a journal subscription fee.                           | For membership organizations with large enough member bases to keep surcharge small. (As alternative to mandatory surcharge, might seek voluntary contributions.) |
| <b>External Subsidies</b>              |   |  |   |   |   |
| <b>Grants</b>                          | <b>Foundation grants</b>                  | Philanthropic grants to fund journal development.  | Grants can often cover significant development costs.                                       | Too few funding sources to support all Open Access journals requiring grants.   | For journals that require developmental funding to support the transition to open access publishing.  |
|  | <b>Institutional grants and subsidies</b> | Formal or informal subsidies from a host or sponsoring institution.                            | Relatively plentiful in modest amounts. Journal prestige reflects well on host institution. | May require a host institution or administrative unit (e.g., the library) to act as project champion.   | For journals from well-funded academic departments or institutions with existing digital publishing support programs.   |

| <i>Model</i>                        | <i>Description</i>             | <i>Advantages</i>  | <i>Disadvantages</i>  | <i>Indicated</i>   |  |
|-------------------------------------|--------------------------------|--|---|--|--|
| <b>External Subsidies</b> continued |                                |  |   |  |  |
| <b>Grants</b> cont'd.               | <b>Government grants</b>       | Departmental or operating grants from government funding agencies.                           | Can provide ample development support for large-scale journal projects in selected scientific fields. | Government grants do not typically fund dissemination of research. Subject to budget and policy vagaries.            | For research dissemination in fields receiving substantial government funding.                             |
| <b>Contributions</b>                | <b>Gifts and fundraising</b>   | Donations and gifts from private donors to endow capital fund.                               | Where operating costs are low, a modest endowment could fund operations.                              | Requires fundraising skill and disposition. Can be disruptive and time-consuming.                                    | For publishers at organizations with Development officers able to lend assistance and expertise.           |
|                                     | <b>Voluntary contributions</b> | Public form of fundraising that solicits many smaller donations (e.g., from user community). | Can be used for supplemental funding or as an adjunct to membership or conference fees, etc.          | Can be disruptive and time-consuming.  | Where a journal services an engaged and sufficiently large community, may provide supplemental income.     |
|                                     | <b>In-kind contributions</b>   | Non-cash donations of tangible resources or assets, including labor, office space, etc.      | Ready supply of relevant technical and editorial expertise typically available to worthy journals.    | May be more difficult to negotiate in-kind contributions without an institutional or organizational affiliation.     | For journals being sponsored at academic institutions, societies, other nonprofits.                        |
| <b>Partnership</b>                  | <b>Partnerships</b>            | Mutual resource contributions and alliance between two or more complementary organizations.  | Leverages strengths of each organization.   | Requires partners with similar missions, but that do not directly compete for resources or for a market or audience. | Where organizations exist with similar goals, but insufficient resources to pursue a journal unilaterally. |

### III-B. Web Resources for Journal Publishers

This section lists web sites and sources of special interest to the developer or publisher of a scientific or professional journal. Some are general in nature while others pertain specifically to journal publishing under various business models (in some cases including Open Access). Many of these sites will also link to other interesting resources.

Entries are listed under the following categories:

- Directory of Open Access Journals
- Lowering costs and access barriers: organizations, initiatives, and resources
- Self-help and how-to guides
- Resources and tools for scholarly and professional publishing
- Intellectual property, copyright, author rights and user licensing
- Sample author agreements
- Interoperability, e-archives and reference linking
- Associations and consortia: libraries and academia
- Associations and consortia: publishers
- Information for organizing and operating a nonprofit corporation or charitable organisation
- Resources for grant-seekers and fund raising
- Resources for creating a business plan
- Vendors, service bureaus, software publishers, outsourcers, etc.

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#### Directory of Open Access Journals

There are many hundreds of Open Access journals representing virtually all fields of science, scholarship, research and professional practice, from many types of publishers in many nations. Most are relatively new and started as Open Access journals. Others date back several decades or earlier, originating as traditional fee-based print journals (well before online publishing and the Internet) and now converted to Open Access. This is an excellent source of examples and links:

*Directory of Open Access Journals*

Lund University Libraries

<http://www.doaj.org>

Launched in spring 2003, the new online *Directory of Open Access Journals* (DOAJ), contains information about some 700 scholarly electronic journals that are freely-accessible online. The DOAJ is maintained and hosted by Lund University Libraries (Lunds universitets bibliotek, <http://www.lub.lu.se>), with support by the Information Program of the Open Society Institute (<http://www.osi.hu/infoprogram>) and SPARC, the Scholarly Publishing & Academic Resources Coalition (<http://www.arl.org/sparc>).

The goal of the DOAJ is to increase the visibility and accessibility of Open Access scholarly journals, thereby promoting their increased usage and impact. The directory aims to comprehensively cover all open access scholarly journals that use an appropriate quality control system. Journals in all languages and subject areas will be included in the DOAJ.

The database records will be freely available for reuse in other services and can be harvested by using the OAI-PMH (<http://www.openarchives.org>), thus further increasing the visibility of the journals. The further development of DOAJ will continue with version 2, which will offer the enhanced feature of allowing the journals to be searched at the article level, and is expected to be available in late fall 2003.

Information regarding Open Access journals that should be included in the DOAJ are invited. Use this form to report a journal: (<http://www.doaj.org/suggest>). For information about how to obtain DOAJ records for use in a library catalog or other online service, see: (<http://www.doaj.org/articles/questions/#metadata>).

### **Lowering costs and access barriers: organizations, initiatives, and resources**

ALPSP Seminar on Open Access: Who pays for the free lunch?

Notes from the April 4, 2003 meeting discussing alternative models for research communication

<http://www.alpsp.org/2003pdfs/cas040403.pdf>

Alternative Publishing Initiatives

Resources for alternative scholarly publishing initiatives from the Association of Learned and Professional Society Publishers (ALPSP)

[http://www.alpsp.org/http\\_altpubs.htm](http://www.alpsp.org/http_altpubs.htm)

Budapest Open Access Initiative (BOAI)

Collaborative call for open access to scientific research

<http://www.soros.org/openaccess>

Electronic Information for Libraries (eIFL)

Facilitates affordable access to electronic scholarly resources in countries in transition

<http://www.eifl.net>

Electronic Society for Social Scientists (ELSSS)

A nonprofit organisation devoted to increased competition in academic journal publishing, with institutional support from the Royal Economic Society, the University of St Andrews, the Consortium of University and Research Libraries, and Scottish Enterprise Fife

<http://www.elsss.org.uk>

Free Online Scholarship (FOS) Lists

Topical annotated lists and links maintained by Peter Suber, Earlham College

<http://www.earlham.edu/~peters/fos/lists.htm#declarations>

IFLA Manifesto on Open Access to Scholarly Literature and Research Documentation

Draft statement of the International Federation of Library Associations and Institutions, spring 2003

[http://www.library.otago.ac.nz/pdf/ifla\\_manifesto\\_scholarly.pdf](http://www.library.otago.ac.nz/pdf/ifla_manifesto_scholarly.pdf)

International Coalition of Library Consortia (ICOLC) Statement of Current Perspective and Preferred Practices

Selection and purchase of electronic information by libraries

<http://www.library.yale.edu/consortia/2001currentpractices.htm>

International Network for the Availability of Scientific Publications (INASP)

Cooperative network aiming to improve worldwide access to information

<http://www.inasp.org.uk/index.html>

Open Society Institute (OSI)

International network of foundations supporting the development of civil societies

<http://www.soros.org/osi.html>

OSI/ALPSP Roundtable Meeting: Converting an Existing Journal to Open Access

Notes from the September 13, 2002 meeting

<http://www.alpsp.org/notes131102.pdf>

Public Library of Science (PLoS)

Promotes the free exchange of scientific information

<http://www.publiclibraryofscience.org>

SPARC Partners

The partnership program of the Scholarly Publishing & Academic Resources Coalition in support of nonprofit scholarly communications initiatives

<http://www.arl.org/sparc>

Statement on Open Access Publishing, Howard Hughes Medical Institute (HHMI) Workshop on Open Access

See *Open Access News*, June 22, 2003

<http://www.earlham.edu/~peters/fos/fosblog.html>

WAI (Web Accessibility Initiative)

W3 Consortium resources and activities promoting a high degree of Web usability for people with disabilities

<http://www.w3.org/WAI/Resources>

### **Self-help and how-to guides**

*Create Change: A Resource for Faculty and Librarian Action to Reclaim Scholarly Communication*

A publication of SPARC, the Scholarly Publishing & Academic Resources Coalition

<http://www.arl.org/create/home/html>

*Declaring Independence: A Guide to Creating Community-controlled Science Journals*

A publication of SPARC, the Scholarly Publishing & Academic Resources Coalition

<http://www.arl.org/sparc/DI>

*Electronic Journal Publishing: A Reader*

A primer for e-journal publishers from the International Network for the Availability of Scientific Publications (INASP)

<http://www.inasp.org.uk/pubs/#15>

*Gaining Independence: A Manual for Planning the Launch of a Nonprofit Electronic Publishing Venture*

A publication of SPARC, the Scholarly Publishing & Academic Resources Coalition

<http://www.arl.org/sparc/GI>

*Getting Started in Electronic Publishing*

A primer especially for start-up publishers from the International Network for the Availability of Scientific Publications (INASP)

<http://www.inasp.org.uk/pubs/#15>

*Guide to Best Practices for Canadian Publishers*

National Library of Canada

<http://www.nlc-bnc.ca/9/13/indexe.html>

*Publishing Guides: Journals*

Resources for journal publishers from Caslon Analytics, Australia

<http://www.caslon.com.au/publishingguide5.htm>

## Resources and tools for scholarly and professional publishing

### ARL Office of Scholarly Communication

Issues and resources in scholarly communication from the Association of Research Libraries

<http://www.arl.org/scomm/index.html>

### The DOI Handbook

A primary source of information about the system developed by the International DOI Foundation for identifying and exchanging intellectual property in the digital environment

<http://www.doi.org/hb.html>

### Electronic Journals: A Selected Resources Guide

Resources and "how to" to related to e-journal publishing from Harrassowitz Agency, Wiesbaden

[http://www.harrassowitz.de/top\\_resources/ejresguide.html](http://www.harrassowitz.de/top_resources/ejresguide.html)

### Free Online Scholarship (FOS) Newsletter

See *SPARC Open Access Newsletter (SOAN)* below

### General Electronic Publishing

Online directory of interest to e-publishers with sections including directories and guides, mailing lists, organizations, publications, and tools, from the University of Houston Libraries

<http://info.lib.uh.edu/sepb/rgen.htm>

### Hot Topics

Links to papers from The Association of Learned and Professional Society Publishers (ALPSP) and other bodies on multiple topics of interest

<http://www.alpsp.org/htopics.htm>

### The Journal of Electronic Publishing

Formerly published by the University of Michigan Press (at <http://www.press.umich.edu/jep>) and scheduled to resume publication by the Columbia University Press (<http://www.columbia.edu/cu/cup>) starting fall 2003.

### Publishing Resources for Journals and Repositories

List of sources of publishing and technical solutions and services from the Scholarly Publishing & Academic Resources Coalition (SPARC)

<http://www.arl.org/sparc/core/index.asp?page=h16>

### Publishing Support Initiatives

Resources from the International Network for the Availability of Scientific Publications (INASP)

<http://www.inasp.info/psi/index.html>

### SPARC Open Access Newsletter (SOAN)

The *Free Online Scholarship (FOS) Newsletter*, dormant since Sep. 2002, has been restarted as the monthly *SPARC Open Access Newsletter (SOAN)*, and will continue to publish news and analysis of the Open Access movement, edited by Peter Suber.

<https://mx2.arl.org/Lists/SPARC-OANews/Message/95.html>

To sign up for the *Free Online Scholarship (FOS) Newsletter* and/or the SPARC Open Access Forum, go to: <http://www.arl.org/sparc/soa/index.html>.

### Taking Your Journal Online

Resources and "how to" to further the development of e-journal publishing from the Canadian Association of Learned Journals (CALJ)

<http://calj.icaap.org/howto.html>

Tools and Resources for Online Journal Editing & Publishing

Topical site maintained by the University of Nevada, Reno Libraries

<http://www.library.unr.edu/ejournals/editors.html>

### **Intellectual property, copyright, author rights and user licensing**

Background Documents

Selected readings (multiple titles and languages) on intellectual property and related matters from the Central and Eastern European Licensing Information Platform (CELIP)

<http://www.eblida.org/celip/documents/doc.htm>

Background Material on the International Situation

Selected readings and sources on intellectual property and related matters from the Digital Futures Coalition (DFC)

<http://www.dfc.org/dfc1/Archives/international/intl.html>

Basic Principles for Managing Intellectual Property in the Digital Environment

Committee on Libraries & Intellectual Property of National Humanities Alliance (NHA)

[http://www.nhalliance.org/ip/ip\\_principles.html](http://www.nhalliance.org/ip/ip_principles.html)

Copyown, a resource on copyright ownership for the higher education community

University of Maryland and Association of Research Libraries (ARL)

<http://www.inform.umd.edu/copyown>

Copyright and fair use of intellectual property resources

Stanford University Libraries

<http://www.fairuse.stanford.edu>

Copyright and intellectual property articles from the ARL Newsletter, 1997-2002

Association of Research Libraries (ARL)

<http://www.arl.org/info/frn/copy/copytoc.html>

Copyright resources; includes interactive Software and Database License Checklist

University of Texas System

<http://www.utsystem.edu/ogc/intellectualproperty/cprtindx.htm>

Copyright, Software and the Internet

Information from and regarding the Commission on Intellectual Property Rights (CIPR), a UK government initiative

<http://www.iprcommission.org/area5.asp>

Creative Commons

A not-for-profit organization devoted to expanding the range of creative work available to others and to assisting those who want to share their work while retaining copyright

<http://creativecommons.org>

E-forum for discussion of copyright and intellectual property issues

Council for Networked Information (CNI)

<http://www.cni.org/Hforums/cni-copyright>

Hot Topics: Copyright

Links to papers and other resources about copyright from The Association of Learned and Professional Society Publishers (ALPSP) and other bodies

[http://www.alpsp.org/http\\_copyrgh.htm](http://www.alpsp.org/http_copyrgh.htm)

Intellectual Property, Copyright and Fair Use Resources

Web page with many lists maintained by Lorre Smith, University Libraries, University of Albany

<http://www.albany.edu/~ls973/copy.html>

Licensing principles for contracts between libraries and information providers

International Federation of Library Associations and Institutions (IFLA)

<http://www.ifla.org/V/ebpb/copy.htm>

Licensing principles for electronic resources

Statement and guide for license negotiators from the Association of Research Libraries (ARL)

<http://www.arl.org/scomm/licensing/principles.html>

Licensing resources; includes sample license language and commentary

LIBLICENSE, Yale University

<http://www.library.yale.edu/~llicense/index.shtml>

Publications About Copyright Matters

International Association of Scientific, Technical & Medical Publishers

<http://www.ipa-uie.org>

Report: Working Conference on Copyright and Universities. July 2001 report of a conference held in Zwolle, the Netherlands.

<http://www.surf.nl/copyright/report.html>

"Seizing the Moment, Scientists Authorship Rights in the Digital Age," July 2002 report of a study by the American Association for the Advancement of Science (AAAS)

<http://www.aaas.org/spp/sfrr/projects/epub/finalrept.html>

"What do you want from your publisher?" (an annotated checklist for authors)

International Mathematical Union (IMU)

<http://www.maths.qmw.ac.uk/~wilfrid/copyrightdoc.pdf>

*WIPO Guide to Intellectual Property Worldwide* (comprehensive individual country profiles on WIPO Member States)

World Intellectual Property Organization (WIPO)

<http://www.wipo.org/about-ip/en>

*WIPO Intellectual Property Handbook: Policy, Law and Use* (a broad introduction and review)

World Intellectual Property Organization (WIPO)

<http://www.wipo.org/about-ip/en>

### **Sample author agreements**

There are numerous examples of publishers' agreements with authors accessible on the Internet, some of which are listed below. Most are available for reproduction without restriction or express permission. Some of these (or some combination) might serve as useful models for your author agreement.<sup>52</sup>

Assignment of Copyright Form

*New Journal of Physics*

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<sup>52</sup> Be sure that whatever you may develop as your journal's standard author agreement is consistent with the organization's policies and best practices, and will allow for open access e-publication in perpetuity, whether the author retains or cedes copyright. You should obtain the advice of legal counsel in preparing this or any other contract, even if based on an existing model.

<http://www.iop.org/EJ/S/UNREG/B6nqBBgrHhdsNX6O.cG9TA/authors/-page=copyright/1367-2630/1>

Copyright and License Agreement

BioMed Central

<http://www.biomedcentral.com/info/authlicense.asp>

Copyright Transfer Agreement

American Physical Society (APS)

<http://www.forms.aps.org/author.html>

Copyright Transfer Form

*International Journal of Molecular Science*

<http://www.ijms.org/copyrtf.htm>

Licence to Publish

Association of Learned and Professional Society Publishers (ALPSP)

<http://www.alpsp.org/grantli.pdf>

Model Author/Journal Agreement

Association of American Law Schools (AALS)

<http://www.marcihamilton.com/ip/agreement.html>

Nonexclusive Publication Agreement

*Journal of Machine Learning Research*

<http://www.ai.mit.edu/projects/jmlr>

Open Access License

Public Library of Science (PLoS)

<http://www.publiclibraryofscience.org/ploslicense.htm>

RoMEO Project (Rights METadata for Open archiving)

Joint Information Systems Committee (JISC) UK

<http://www.lboro.ac.uk/departments/ls/disresearch/romeo/index.html>

Sample Publication Agreement

Association of Research Libraries (ARL) Office of Scholarly Communications

<http://www.arl.org/create/faculty/issues/manage%5Fex1.html>

Sample Publication Agreement

Life and Medical Sciences Online (LAMSO), Ludewig Verlagsgesellschaft mbH

<http://www.lamso.com/Agreement.htm>

Samples of Copyright Transfer and Licensing Agreements

Index and links to 20 agreements from a variety of not-for-profit and commercial organizations; see Appendix C in "Seizing the Moment, Scientists Authorship Rights in the Digital Age," July 2002 report of a study by the American Association for the Advancement of Science (AAAS)

<http://www.aaas.org/spp/sfrrl/projects/epub/finalrept.html>

**Interoperability, e-archives and reference linking**

CrossRef

Linking service for scientific and scholarly online publications

<http://www.crossref.org>

Digital Object Identifier (DOI®)

About the system developed by the International DOI Foundation for identifying and exchanging intellectual property in the digital environment

<http://www.doi.org>

JSTOR

Comprehensive archive of scholarly e-journals

<http://www.jstor.org>

Open Archives Initiative (OAI)

Develops and promotes interoperability standards; a protocol for collecting metadata about data files residing in separate archives

<http://www.openarchives.org>

Open Citation Project (OpCit)

A research project for integrating and navigating eprint archives through citation-linking, a collaboration between Southampton University, Cornell University and arXiv.org

<http://www.opcit.eprints.org>

**Associations and consortia: libraries and academia**

Association of Research Libraries (ARL)

Organization of more than 120 leading research libraries in North America

<http://www.arl.org>

Canadian Library Association (CLA)

National English-language association representing 21,000 Canadian libraries

<http://www.cla.ca>

Chartered Institute of Library and Informatic Professionals (CILIP), a new professional body formed April 2002 following the unification of the Institute of Information Scientists (IIS) and The Library Association (LA).

Professional association of librarians and information managers with over 25,000 members throughout the UK and in more than 100 countries

<http://www.cilip.org.uk>

International Coalition of Library Consortia (ICOLC)

Organization of some 150 library consortia from around the world

<http://www.library.yale.edu/consortia>

International Federation of Library Associations and Institutions (IFLA)

Represents the interests of library and information services and their users

<http://www.ifla.org>

Roquade

Partnership of Dutch universities for electronic scientific publishing

<http://www.roquade.nl>

SPARC

Scholarly Publishing and Academic Resources Coalition

<http://www.arl.org/sparc>

SPARC Europe

Scholarly Publishing and Academic Resources Coalition

<http://www.sparceurope.org>

Special Libraries Association (SLA)

International association representing the interests of thousands of information professionals in corporate, academic, and government settings in over 70 countries

<http://www.sla.org>

United Nations Educational, Scientific and Cultural Organization (UNESCO) Libraries Portal

International information gateway to thousands of libraries and library and academic organizations

[http://www.unesco.org/webworld/portal\\_bib](http://www.unesco.org/webworld/portal_bib)

**Associations and consortia: publishers**

Association of American University Presses (AAUP)

Organization of more than 100 nonprofit academic and scholarly presses worldwide

<http://aaupnet.org>

Association of Learned and Professional Society Publishers (ALPSP)

Represents over 200 not-for-profit publishers and related organisations worldwide

<http://www.alpsp.org>

Canadian Association of Learned Journals (CALJ)

Representing over 140 scholarly journals of Canadian publishers

<http://calj.icaap.org>

German Academic Publishers (GAP)

Organisation of German academic publishers

<http://www.ubka.uni-karlsruhe.de/gap-c>

International Association of Scholarly, Technical & Medical Publishers (STM)

Organisation for large and small companies, not for profit organisations and learned societies, traditional primary and secondary publishers and new players.

<http://www.stm-assoc.org>

International Consortium for the Advancement of Academic Publication (ICAAP)

Devoted to the advancement of electronic scholarly communication

<http://www.icaap.org>

International Publishers Association (IPA)

Non-governmental organisation with consultative relations with the United Nations.

Constituency is book and journal publishers worldwide, assembled into 78 publisher associations at national, regional, and specialised levels.

<http://www.ipa-uie.org>

Signal Hill

European partnership of academic e-presses and support organisations

<http://www.signal-hill.org>

**Information for organizing and operating a nonprofit corporation or charitable organisation**

About@... Nonprofit Organizations

General interest for nonprofit planners and managers

<http://www.nonprofit.about.com>

Alliance for Nonprofit Management

General interest for nonprofit planners and managers

<http://www.allianceonline.org>

Charity Commission for England and Wales

Information for organizing and operating a charitable organisation, operational and legal guidelines, official notices

<http://www.charity-commission.gov.uk>

Financial Dictionary

One of many dictionaries and glossaries of financial and accounting terms readily available on the Internet

<http://www.ventureline.com/glossary.htm>

Financial Standards Accounting Board (FASB)

Generally Accepted Accounting Principles (GAAP) for US accounting and reporting

<http://www.fasb.org>

INC: Internet Nonprofit Center

General interest for nonprofit planners and managers

<http://www.nonprofit-info.org>

International Accounting Standards Board (IASB)

International Accounting Standards (IAS) for financial accounting and reporting in Europe and elsewhere

<http://www.iasc.org.uk>

Nonprofit Start-up and Internal Revenue Service (IRS) Answer Center

US tax and regulatory information, assistance, FAQ, and many useful links, from the Delaware Association of Nonprofit Agencies

<http://www.delawarenonprofit.org/startupfaq5.htm>

Official Internal Revenue Service (IRS) Web Site for Charities and Nonprofits

Tax, regulatory and compliance information, forms and publications

<http://www.irs.gov/exempt/display/0,,i1%3D3%26genericId%3D15048,00.html>

UK Fundraising

General interest for nonprofit and charitable organisation planners and managers

[http://www.fundraising.co.uk/nfp\\_resources.html](http://www.fundraising.co.uk/nfp_resources.html)

### **Resources for grant-seekers and fund raising**

*The Chronicle of Philanthropy*

A newspaper for the nonprofit world, including grant-seekers and makers.

<http://www.philanthropy.com>

Corporate Sponsorship Program of the Public Broadcasting System (PBS)

About a major corporate sponsorship program, with some potential analogies to an open access journal

<http://www.sponsorship.pbs.org>

Council for Advancement and Support of Education (CASE)

Resources and tools for grant development in education

<http://www.case.org>

The Foundation Center

Information for grant- and support-seekers including the *Directory of Corporate Foundations*, with links to private foundations, corporate-giving programs and other sources of nonprofit funding

<http://www.fdncenter.org>

Research Funding Agencies

A partial list of government agencies and foundations that explicitly allow their research grant funds to be used for author publication charges is provided by BioMed Central

<http://www.biomedcentral.com/info/authors/apcfaq>

UK Fundraising

UK and international fundraising resources

[http://www.fundraising.co.uk/other\\_fr.html](http://www.fundraising.co.uk/other_fr.html)

### **Resources for creating a business plan**

A companion volume to this Guide—the *Model Business Plan: A Supplemental Guide for Open Access Journal Developers & Publishers*—contains a chapter-by-chapter outline for developing a business plan primarily to support a new Open Access journal. Even so, you may wish to refer to that document when developing your plan to convert your subscription-based journal to an Open Access model. Also, of course, there are many other self-help and how-to guides to business planning available (including those cited above).

### **Vendors, service bureaus, software publishers, outsourcers, etc.**

The authors and publisher of this guide have decided not to list any vendors, service bureaus, software publishers and outsourcers in order to avoid implying any recommendations or endorsements. You can easily identify such parties by searching the web and/or obtaining references from other e-journal publishers. As a start, see items listed under [Resources and tools for online publishing](#) above.

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→ Notice of corrections, updates or suggested additions to the above entries would be appreciated. Please send by email to [mhagemann@sorosny.org](mailto:mhagemann@sorosny.org).

### **III-C. Privacy and Disclosure Policies**

Top priority should be given to policies and practices that will protect online user privacy and give users such assurances. The policy, often termed a “Privacy Statement” or “Privacy Policy” should be included on the web site. Numerous examples may be found on the Internet.

Resist any temptation to treat any information about individual journal subscribers as an asset to generate ancillary income. Doing so can create considerable resistance and distrust of the journal’s intentions. However, to support web advertising sales and to demonstrate the use and value of your journal, you may wish to ask users to register as “subscribers.” Any data gathered in this way must be provided voluntarily (compulsory registration would violate the tenets of Open Access) and should be limited to key demographic data (for example, discipline, institution type, geographic location/postal code, income/budget controlled) without requesting any personal information (beyond e-mail address). Make it clear, on the registration page and in your privacy statement, that no personally identifiable information is being gathered. If user compliance with registration is so low as to render the sample of data meaningless in extrapolating any demographic characterization of your subscriber base, then you may wish to eliminate it or limit the registration to a simple email address capture in order to facilitate alert services. In this event, you can still use web server logs and other traffic measurement tools to provide sponsors, partners, advertisers, and others with a general sense of your journal’s traffic volume, user geographic distribution, and institution/user type.

If you intend to use *any* user-specific information (as opposed to aggregated data with user anonymity) in relationships with third parties—such as in exchanges, rentals or sales of subscriber data—this must be disclosed and it is strongly recommended that your site give every individual the option to grant or deny permission (known as “opt in” or “opt out”). The industry standard is now “double opt-in” (that is, a user must explicitly indicate willingness to participate, and subsequently confirm that willingness). Such systems require resources to maintain. It will rarely make economic sense for an Open Access journal to attempt to monetize its subscriber base.

### **III-D. The Open Society Institute**

The Open Society Institute is a private operating and grant-making foundation that develops and implements a range of programs in civil society, education, media, public health and human and women's rights, as well as social, legal, and economic reform. OSI is at the center of an informal network of foundations and organizations active in more than 50 countries worldwide that supports a range of programs. Established in 1993 by investor and philanthropist George Soros, OSI operates network-wide programs, grant-making activities, and other international initiatives.

The main office of the Open Society Institute is at 400 West 59th Street, New York, NY 10019. Telephone: 212-548-0600 or 212-757-2323. Telecopier: 212-548-4679 or 212-548-4600. The Budapest office of the Open Society Institute is at Oktober 6. u. 12, 1051 Budapest, Hungary. Telephone: +36-1-327-3100. Telecopier: +36-1-327-3042. OSI also has offices in Baltimore, Brussels, and Paris. For further information, please visit: <http://www.soros.org> or go directly to <http://www.soros.org/osi.html>.

The OSI Information Program oversees and coordinates the network's activities in areas such as Internet policy, library and publishing support, and access to information. For further information, please contact: Darius Cuplinskas, Director, OSI Information Program (Budapest), email [cuplinsk@osi.hu](mailto:cuplinsk@osi.hu) or Melissa Hagemann, Program Manager, Open Access Project, OSI, Information Program, email [mhagemann@sorosny.org](mailto:mhagemann@sorosny.org).

The OSI Information Program has committed funding of US \$1,000,000 annually for three years in support of Open Access projects. Funding will include support for: the development of business models and plans for sustainable self-archiving and Open Access publishing; use of library networks to mobilize support for Open Access globally; support for researchers in low and middle income countries to publish in open-access journals which charge up front fees; development of software tools and templates for Open Access publishing, self-archiving, indexing and navigation; and promotion of the Open Access philosophy among foundations and donors, science and research funding agencies, libraries and universities, as well as governments, policymakers and international organizations worldwide. OSI may also provide direct seed funding to certain other types of Open Access and self-archiving initiatives.

### **III-E. The Budapest Open Access Initiative**

The Budapest Open Access Initiative (BOAI), promulgated February 14, 2002, aims to accelerate progress in the international effort to make research articles in all academic fields freely available on the Internet. The BOAI arises from a meeting convened in Budapest on December 1-2, 2001 by the OSI. Attendees from around the world represented many points of view and academic disciplines, and had experience with ongoing initiatives within the Open Access movement. They explored how separate initiatives could work together to achieve broader, deeper, and faster success; the most effective and affordable strategies for serving the interests of research, researchers, and the supporting institutions and societies; and, how OSI and other foundations could use their resources most productively to aid the transition to Open Access and to make Open Access publishing economically self-sustaining. The result is the *Budapest Open Access Initiative*—a statement of principle, strategy, and commitment that has been signed by thousands of individuals and organizations from around the world, including scientists and researchers, and persons representing universities, laboratories, libraries and library organizations, foundations, journals, publishers, and learned societies.

The BOAI seeks to maximize Open Access within existing copyright law, in accordance with the wishes of the copyright holders. The Initiative does not advocate Open Access for copyrighted literature against the will of the copyright holder or in violation of copyright law. Nor does it advocate any change in copyright law. The Open Access website contains the full text of the Initiative, a list of signatories, proposals for action, and a comprehensive "frequently asked questions" document. Interested persons are encouraged to use this interactive site to learn how to participate in advancing the movement. For more information, see: <http://www.soros.org/openaccess>.

### **III-F. Authors, Acknowledgements, and Feedback**

Consultants Raym Crow and Howard Goldstein were engaged by OSI to develop a guide to business planning and an inventory of business/funding models for Open Access journals, distinguishing between those to be newly launched and those to be converted or transformed to Open Access from an existing paid subscription basis. Messrs. Crow and Goldstein are affiliated with the SPARC Consulting Group (SCG) of the Scholarly Publishing and Academic Resources Coalition (SPARC), which has been an early and ardent supporter of the BOAI.

#### *About the Authors:*

Raym Crow is a Senior Consultant at SPARC Consulting Group and Managing Partner of the Chain Bridge Group. He has almost 20 years' experience in academic publishing and information services, specializing in strategic business planning, product management, and market development.

Howard Goldstein is a SPARC Consulting Group Senior Consultant and Principal of New Development Associates. He has more than 25 years' experience in academic publishing and information services, specializing for the past five years in strategic and business planning for scholarly communications initiatives by university libraries, university presses, learned societies, and other academic and nonprofit organizations.

#### *Acknowledgements:*

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#### **Feedback:**

Your feedback would be welcomed. Anyone having comments, suggestions or inquiries regarding this Guide and its subject matter are invited to contact:

- Melissa Hagemann, Program Manager, Open Access Project, OSI, Information Program, email [mhagemann@sorosny.org](mailto:mhagemann@sorosny.org)
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- Howard Goldstein, Senior Consultant, SPARC Consulting Group, email [goldsteinh@aol.com](mailto:goldsteinh@aol.com)