Open Society Institute

Model Business Plan:
A Supplemental Guide for Open Access
Journal Developers & Publishers

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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

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

There is also the

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

and the

- *Guide to Business Planning for Converting a Subscription-based Journal to Open Access (Edition 2)*

Any discussion of legal, accounting, tax and technical topics in this publication is for informational purposes only and does not constitute professional advice. If you require any such advice, you should seek the services of a competent professional.

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Section I: INTRODUCTION

I-A.   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 Open Access model and initiative, and guides it through product design and implementation (if needed), market launch, 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:

An effective planning process will ...	By . . .
Generate enthusiasm, build consensus	• Focusing the efforts of the core planning and development team. • Allowing key players to sign on and share ownership early in the process.
Size the effort	• Serving as a mechanism to determine the scope and magnitude of the project. • Identifying and quantifying the core competencies and resources required for the project.
Assess the situation	• Recognizing key opportunities and challenges, possible risks and barriers to overcome, and potential rewards. • Encouraging objective analysis.
Set expectations, define success, garner support	• Establishing realistic expectations. • Identifying success criteria and how measured. • Serving as a *prospectus* to seek and establish or confirm support and participation.

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:

As you prepare your plan…	
Consider the audience	• The plan is for your own use, but it is also a principal tool for communication to others, perhaps a diverse group . • Your style should reflect your audience's shared interests. • Do not get too technical (assume some readers are not as expert as you in the subject). • Present your case in a way that any educated person can understand.
Aim for clarity	• Your content must be clear and pertinent to all readers, from scientists and scholars to hard-headed business people.
Be persuasive and reassuring	• Not everyone is pre-disposed to Open Access publishing; some may need to be persuaded. • Your text should reflect enthusiasm and optimism, but should avoid overstatement and hyperbole.
Take a multi-year view	• A business plan will typically present at least a three-year outlook, with up to five years projected if practical.
Focus on the critical early stage	• The greatest emphasis in action planning and milestones should be placed on the first 12 to 24 months. • In some circles, a multi-year plan is considered to be a "strategic plan" and a one-year plan is an "operating plan." Ideally, *Version 1* of your Business Plan will be both.
Allow for review and revision	• 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.
Achieve balanced content	• The document should be all-inclusive for material matters, though kept at a relatively high level. • 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.
Be cognizant of the document's size, depth and structure	• 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. • 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.
Use illustrations and exhibits	• Adding diagrams and tables will improve the appearance of your document and will highlight important data. • Stylistically, many plan writers make extensive use of exhibits and attachments to avoid clutter and complexity in the main body of text.

I-B.   Preparing Your Business Plan

The creation of each new Business Plan should start with an outline or model. One generalized model for creating a business plan is presented below. This is by no means the only one, or necessarily the best one for you.

Many users of this Guide will have little or no prior experience in creating a business plan, and will find the following model to be a useful (if not sole) reference. Other users will have substantial experience in creating business plans and will find plans for other projects—in format, organization, and scope—transferable to this new project and situation. Others will have specific guidelines or requirements from a source such as a sponsoring organization or institution, or from a text on business planning, and will opt to follow those guidelines. The choice is yours, as long as the finished work meets all reasonable expectations for thoroughness and clarity and serves the purposes of a solid Business Plan.

The following uses a chapter-by-chapter structure for a model plan, and within each chapter, presents topics and suggestions for your consideration. Some of these may be irrelevant to you, and certain matters important to you may have not been treated explicitly or sufficiently. You may even find that a different organization will work better in your situation, for example, in consolidating certain main topics, or adding separate chapters for topics of greatest importance. Again, there is no single model or outline that will work well in all situations. Such is the nature of generalized guides.[1]

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[1] 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 the Appendix).

Section II:

MODEL BUSINESS PLAN: A CHAPTER-BY-CHAPTER GUIDE

Chapter 1.   EXECUTIVE SUMMARY

Most guides will call for the Executive Summary to be Chapter 1 of a Business Plan. Here you will present an overview of your project, its significance, plans, and intended outcomes—in one or two pages. Use this as your best opportunity to make your strongest, most persuasive case: highlight in summary form the most important considerations, replete with key facts and opinions, using a direct and positive tone. Assume that all recipients of your document will read the Executive Summary, yet may not give as much attention to the subsequent content. Suggested topics for the Executive Summary, below, are intended as a concise checklist for your review of the most important considerations:

Topical checklist for the Executive Summary	
Summary introduction and description	• Product/service model, business/funding model, management and organization (mentioning the principals and any collaboration, joint venture, or partnership). • Mission statement, rationale, and justification. • Incentives to provide open access. • Brief history, current status.
Key factors, assessments – markets, authors, competitors	• Assessment of the market and/or user community: composition, size, special characteristics, need for and ability to access this online journal. • Potential author community: composition, size, special characteristics, appeal of this journal for publication of research, likely willingness of leading authors to publish in this journal. • Noteworthy competition, how addressed in this alternative (even free journals compete for visibility, users, authors!).
Resource requirements, core competencies	• Summary of principle resources required (editorial, technical, sales, etc.), and how obtained. • Core competencies needed for success, and how obtained.
Objectives, strategies, plans	• Top objectives. • Core strategies to meet objectives. • Key plans to execute these strategies. • Milestones. • Business or financial and/or other risks, contingencies.
Financial foundation and outlook	• Multi-year financial review; focus on largest categories of expenses and income. • Reasonableness of expectations for funding commitments and/or for sales or other income sources.
Conclusion	• Reiterate why *this* initiative and business model is justified. • State what will constitute "success" in both quantitative and qualitative terms. • Summarize outlook and reasons for enthusiasm and optimism, balanced against material risks.

Your financial review in the Executive Summary should be kept at a high level but still cover points of key interest. Inserting a table that summarizes the more detailed data in Chapter 11 may work well here (for example, see Figure 1, below.)

Figure 1.   FINANCIAL SUMMARY[2]

FY ending December 31 $ amt's. rounded to nearest hundred	Year Actual	Year Budget	Year Forecast	Year Forecast
Income (or Revenue)	$	$	$	$
Gross Expenses				
Expense Offsets				
Net Expenses				
Operating Surplus / (Deficit)				
Pct. of Income (or Revenue)	%	%	%	%
Cash Surplus / (Deficit)				

Most plan writers prefer to write the Executive Summary after completing all other chapters (as a research paper's author would usually prepare an article's abstract), but a thorough early draft could be used for work-in-process, helping to structure the preparation of chapters and the flow of information. Be sure that whatever facts and comments you include here are consistent with and supported by those elsewhere in the document.

Chapter 2.   SITUATIONAL ANALYSIS

Here you will establish the case for the publication and the enterprise in which it will operate. This includes an objective assessment of the environment in which your journal will be launched and its justification for the publisher and as a strategic response to market demand. The examination will focus on characteristics of the community to be served and the needs that will be satisfied by your Open Access model, perhaps delineated by importance and/or priority. Be sure to underscore any innovative or unique aspects of the undertaking, as well as precedents for your product and model.

Presumably, you will have done some market research, which need not be a costly effort (using email surveys, for example). In this chapter, you will report, in summary, the results of "user needs-and-wants studies" and any other market research you have conducted that will translate into a compelling case for your proposed journal and your service definition (copies of survey instruments and fuller reports on findings can be included in the Exhibits). The research summary should describe user needs, wants, and preferences; journal success criteria; and—in the case of an Open Access journal with fee-based components as part of its business model—any value-in-use indicators that suggest what cost-benefits the complementary products or services might deliver to a particular audience segment.

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[2] "FY" is Fiscal Year in the US and Financial Year in Europe and elsewhere. Columns in a multi-year financial table are typically labeled as "Actual" (if there are actual results for the prior year), "Budget" for the immediate upcoming year and "Forecast" or "Projection" for a series of future years. Gross Expenses are typically total operating costs including the value of in-kind contributions (to reflect the "true" cost of operation). Expense Offsets are the value of in-kind contributions and other deductions to Gross Expenses. Thus, Net Expenses are the costs actually charged to the operation after deducting Expense Offsets.

One might separate this chapter into two sections, A) <u>Situation Assessment</u> (including noteworthy research, findings, and conclusions) and B) <u>Strategic Response</u>; or in combination comment on each situation followed up by the strategies for dealing with it. Some plan writers will want to illustrate and/or summarize their commentary with a table, as shown below.

Figure 2.   SITUATIONS AND STRATEGIES

Situation	Strategy
Leading journal _____ is priced at $___/year, price increases averaged __% over last 3 years	Open access journal is the obvious response.
Editors of leading journal looking to leave for alternative	Position journal as logical alternative to high-priced fee-based journal.
Authors publishing in existing journals in field must cede copyright and control to publisher	Attract authors by respecting their rights, allowing copyright retention.
Authors of research papers almost universally seek impact and credentials rather than royalties	Create best venue for disseminating research more quickly and widely than through existing printed and restricted access e-journals.
Access to research papers restricted to elite institutions and organizations based upon ability to purchase	Open access increases research dissemination. Authors' visibility will result in high usage that makes complementary products/services supportable.
Open access journal costs can be relatively low and mostly fixed	Create a low expense structure and manage for cost-efficiency.
Strong possibility of start-up and early stage funds available in grants from _____ and _____	Exploit these windows of opportunity by acting quickly, decisively and with demonstration of sound business planning and practices. Build collaborative joint venture of _____, _____ and _____ .
Excellent opportunity for introducing value-added services (available for purchase)	Give top priority to establishing visibility, credibility and usage to the journal. Follow-up at a measured pace by assessing potential for add-ons, realistic development and launch parameters.

After you have drafted this chapter, you might ask yourself, "Have I…

- described the environment, the community's problems or needs, and the intended solutions?
- explained why this is important to concerned parties—the publisher, supporters, editors, authors, researchers / users, society?
- quantified where possible the economic and/or social value of this endeavor?
- made a solid case that the intended strategies are correct and best (even if theoretical and yet to be proven)?

- identified the key factors that will encourage the community to prefer this journal to others including those that may be well-entrenched (or that this journal can capture a high position relative to others in the discipline)?"

Chapter 3.   PROJECT HISTORY, STATUS AND SCHEDULE

You will want to inform your readers of how the project concept was conceived, its present status, and key actions and events scheduled. This is where you might describe history and status at a general level, and report milestones reached or scheduled. The participation and endorsement of leaders in your field can be a strong signal of the project's significance and potential for success: mention important involved persons and/or organizations. Some plans present this chapter in narrative only. Others augment and/or limit the commentary with a table, such as shown below in this hypothetical scenario.

Figure 3.   KEY ACTIONS AND EVENTS

Month/Year	MILESTONES REACHED
	Concept paper co-authored by ------ and ------; circulated to ------
	Meeting of group of ------ under the auspices of ------
	Survey of ------- conducted by ------ to assess ------
	Memorandum of Understanding to develop and publish executed by ------
	Business Plan Version 1 circulated to and discussed with ------
	Early-stage financial support commitment received from -------
	First meeting of governing group, governance and organizational guidelines adopted
	Development grant proposal for $----- over ------ years approved by ------
	Support commitment of in-kind contribution of ------ received from ------
Month/Year	SCHEDULED MILESTONES
	Establish editorial board
	Develop editorial policies and submission practices
	Prepare RFP for front-end electronic manuscript system (EMS)
	Acquire, install, test, and train users on EMS
	Commence content acquisition, peer-review, editing and pre-press processes
	Commence pilot project, including technology development and validation
	Confirm ancillary income components, sources, and arrangements
	Offer selective beta and/or trial use offered selectively, user feedback collected
	Collect and incorporate user feedback
	Launch unrestricted open access e-journal and make public announcements
	Begin realizing ancillary income streams

Where an "at-a-glance" view will help to focus on the most important milestones, then include one in your document. A table similar to the above example might be inserted within this chapter or referenced in the text and included in the Exhibits.

Chapter 4.   THE JOURNAL OR SERVICE DESCRIPTION

In this chapter, you will describe the new journal you seek to publish, the services you will offer, and the audiences to be served. (These matters are related closely to Chapter 6. For some Business Plans, there will be overlap between Chapters 4 and 6; in others, the two are best combined into one chapter.) Your description should:

- specify the journal's content, features, attributes, and requirements—including "must have" and "should have" features;
- identify the journal's intended target audience;
- describe the journal concept and the benefits to be delivered; and
- delineate the journal's positioning strategy relative to existing journals and other information resources (and in competing for editors, authors, and users).

Your description in Chapter 4 entails not only defining the content that the journal will publish and describing its importance to researchers, but also highlighting the editorial and production issues relevant to producing the journal. While these matters, as well as technical systems and infrastructure issues, will be dealt with in more detail elsewhere in the plan (see especially Chapters 6 through 8), the journal or service description will provide the context for that subsequent detail.[3]

It is often useful to reiterate in this chapter the factors from the situational analysis (see Chapter 2) that are providing the impetus for creating the journal in the first place. These should include a recapitulation of the unserved or underserved market needs that the journal seeks to address. Reinforce your understanding that making your electronic journal available to end users without charge does not reduce the publisher's obligation to ensure that the publication serves a validated and justified market need which would otherwise remain unserved. Preparing the sections in this chapter carefully requires that you have done the background analysis necessary to establish the value of your journal's concept for your plan's readers, particularly those being solicited for participation and support.

Important topics you may want to address include the following:

AUDIENCE

Describe the audiences—or target markets—that the new journal seeks to serve. This description will provide the context necessary for your readers to understand the scope of the journal's content, as well as the relevance and suitability of any value-added services you might offer. Describing these market segments in detail allows you to:

- ensure that the journal's design adequately serves all your target audiences;
- identify journals and other information resources with which your proposed journal will compete directly or indirectly; and
- quantify your target audience in a manner that allows you to benchmark and measure the success of the marketing and publishing program (see Chapter 9).

These target markets will include potential contributors of research articles, as well as those who will be the users of your free journal—academic researchers, non-academic

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[3] We address here the product issues that can affect the publisher's cost, and therefore the business case, for an open access journal. We do not provide a primer guiding the design and publication of an electronic journal.

practitioners, students, and possibly others.[4] These are also the persons who will make or influence optional purchasing decisions for any complementary products and services that may be included in your business model (see Chapter 5).

CONCEPT AND BENEFITS

Describe the proposed new journal in the context of the particular academic discipline or field of study it supports, as well as in the context of the Open Access movement. Remember that not all of your readers will be fully aware of either of these areas. Your commentary will provide the contextual background necessary for you to describe the journal's positioning strategy.

POSITIONING STRATEGY

Define the journal's positioning strategy vis-à-vis other journals and information resources that serve the same (or substantially similar) target markets. Outline this positioning for all the relevant target audiences. To address this topic adequately requires you to demonstrate a thorough understanding of all of the significant information resources that represent competition: their strengths, weaknesses, competitive strategies, and business performance—to the extent such can be determined through reasonable investigative efforts.

Even if your new journal's business model does not include any fee-based components, your journal will compete for the finite reading and research time of researchers. As importantly, you will compete for the submission of quality research papers. Journals serving the same market space will consider your journal competitive to theirs, even if you do not. Competing publishers might respond to your new Open Access journal in a variety of ways, including—positively, for the community—price reductions and service enhancements and—negatively, for your publishing program—subtle campaigns to dismiss your new journal as ephemeral and/or lacking prestige.[5]

Anticipating these potential competitive responses will allow you to position your new journal effectively to its key constituent audiences. For a new journal, in particular, generating a steady stream of quality authors' submissions is both difficult and critical. Understanding how to position your journal to appeal to your potential universe of contributing authors is essential. An important element of this positioning will be to demonstrate that the journal attracts and retains (or, when just starting, has the *potential* to attract and retain) an important readership base that leading authors wish to reach. Thus, while not dependent on subscription revenue *per se*, your Open Access journal needs to position itself to capture the attention of potential readers. Academic libraries pose a different kind of challenge: while librarians are typically sympathetic and supportive of the goals of the Open Access movement, you will still need to position the journal to earn the goodwill and endorsement of the librarians who will help increase your publication's visibility and prestige amongst both authors and online users.

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[4] Librarians, acting as agents for their institutions and patrons, should not be overlooked as a potentially important target market. Consider all types of pertinent libraries and information centers within universities and colleges, government, corporations and institutes. Librarians will not only promote awareness of and access to your free journal, but may be central to a sales program for fee-based print subscriptions, site licenses and/or complementary products (if any) within the model.

[5] In some cases, the new journal is without direct or material competition. If so, the discussion should focus on why this may be. Anticipate and address these questions: "Is the market so small or its interests so esoteric as to lack justification for a research publication?" "Have others tried and failed?" "Why will this initiative succeed in an unproven marketplace?"

CONTENT, FEATURES, ATTRIBUTES

Outline in this section the content, functionality, and other product requirements necessary to serve your target markets. You should include here not only critical "must have" product requirements, but also "should have" and "nice to have" components as well. You can address whatever choices and contingencies this list implies throughout the Business Plan's other chapters (for example, "must have" features will indicate a higher priority, and possibly a different implementation schedule, than less critical features).

- *Content:* As a prelude to the more detailed Chapter 6, summarize in Chapter 4 the characteristics of the journal's content. Delineate the subject areas and fields of study that will be covered, as well as the types of content (research papers, review articles, opinion pieces, correspondence, book reviews, event calendars, and the like) that will be published. Indicate any editorial policies or other qualitative criteria that will be applied to content submissions, including a description of the peer review process and standards, the quality or prestige of the journal's editorial board, copyediting standards, and other relevant issues. Additionally, if applicable, indications might be given for special formats and functionality such as supporting research data sets; audio, video, or other streaming media; multi-dimensional models; etc. (Consider how these may represent a competitive differentiation especially attractive to authors.)

- *Publishing medium:* The decision of publishing media—electronic-only or electronic and print—depends largely on the anticipated needs, composition, and size of the new journal's target audience, as well as on key economic considerations. [6] Typically, publishing a print component makes sense where the market demand for a convenience or archival print copy—from individuals and/or institutions—supports print subscription charges (perhaps with additional revenue from paid advertisements) sufficient to at least offset the incremental printing and distribution costs. Whether such a print subscription would be priced to recover costs, or to generate a surplus that offsets other expenses, depends on the business model being applied.

- *Subscription management:* Open access Internet publishing obviates the complications and expense of subscription management and fulfillment systems for the journal. However, if you plan to generate revenue streams from complementary publications and/or value-added services—for which there will be fulfillment to paying customers—you may still need to implement and maintain such a system to support them. Even without value-differentiated services, you might still deploy a simple registration system for free users; in essence, an email list management system that allows you to communicate with users about journal updates and other news and developments. Of course, this system should be consistent with your organization's user privacy policy, as discussed elsewhere in this guide (see Chapters 7 and 8).

- *Value-added and complementary services:* Producing various versions of digital information services—for example, one or more of the value-added features described above—each with their own targeted market segments, perceived

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[6] Distributing a print journal free of charge, while laudable, does not satisfy the broad access objectives endorsed by the BOAI in its encouragement of Internet-accessible open access electronic journals.

value, and willingness to purchase, is a well established method of maximizing the revenue generated by any given information asset or content set.[7] 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 streams that such offerings might generate for financing the new journal's operation. The cost-to-benefits ratio should be considered carefully.

- *Frequency of publication:* Publishing electronically raises questions concerning the timing of content delivery. While print publishing forces the aggregation of articles into issues, digital delivery allows for the release of content units more frequently, even as individual articles become available. You will need to determine whether you will publish on an article-by-article basis, or whether you will aggregate articles in a manner analogous to traditional print issues. Summarize your plan here and include greater detail in Chapter 8.

- *Language(s);* Although it typically translates into an inordinate effort and expense, some journals and their web sites are published in multiple languages. In some fields, this may be important in attracting an international audience or for other reasons. Indicate—here and/or in Chapter 6—the language or languages of your publication(s) and web site. If you are publishing in more than one language, or in a language other than that of the country in which you are publishing, indicate why (that is, the benefits of your publishing language(s), such as market demand or an expanded market universe).

Chapter 5.   THE BUSINESS AND/OR FUNDING MODEL

In this chapter you will want to identify and describe your business and/or funding model, present its rationale and justification, indicate the staging of launch and evolution for different components (if applicable), and examine the basis on which the model has been determined.[8]

Your initiative's success depends largely upon having a sound business/funding model: How will the publication and operation be financed, initially and long term? The likelihood of economic success increases by operating within the lowest practical expense structure in order to lessen the pressure on income requirements (more on this in Chapter 11). But that is only half of the equation: sufficient capital must be realistically attainable to finance the operation, no matter how controlled its expenses.

Reasonable assurance of the soundness of the business/funding model and its formulation are core elements of any Business Plan, both for you and for your readers. This is especially important for the new Open Access journal, publishing under a model for which

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[7] 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.

[8] Such basis might include market research findings and conclusions, the experiences and models of others already engaged in open access publishing, seizing the opportunity to leverage or capitalize on the special resources of key participants, and/or other factors.

long-term sustainability of has yet to be proven. You must design and implement a model that presents, realistically and without unfounded assumptions, the greatest potential for success initially and over the long term *and* that is consistent with your mission and purpose, abilities, and market's needs. Choosing and integrating the elements of the business and/or funding model may be your most critical planning issue.

As you prepare to write your plan, you may consider two approaches: one, you have decided upon your model and are seeking confirmation and agreement (perhaps subject to some modification of your original plan based upon readers' feedback); or two, you have selected what you feel are the several best options and are presenting them for consideration in the ultimate decision-making process. As points of reference for your commentary, it might be helpful to insert a graphical or tabular depiction of the model and its progression within this chapter. Here is a hypothetical example:

Figure 4.   PROJECTED SOURCES OF FUNDS (APPROXIMATE)

| YEAR ONE | YEAR THREE | YEAR FIVE |
| $50,000 | $35,000 | $40,000 |
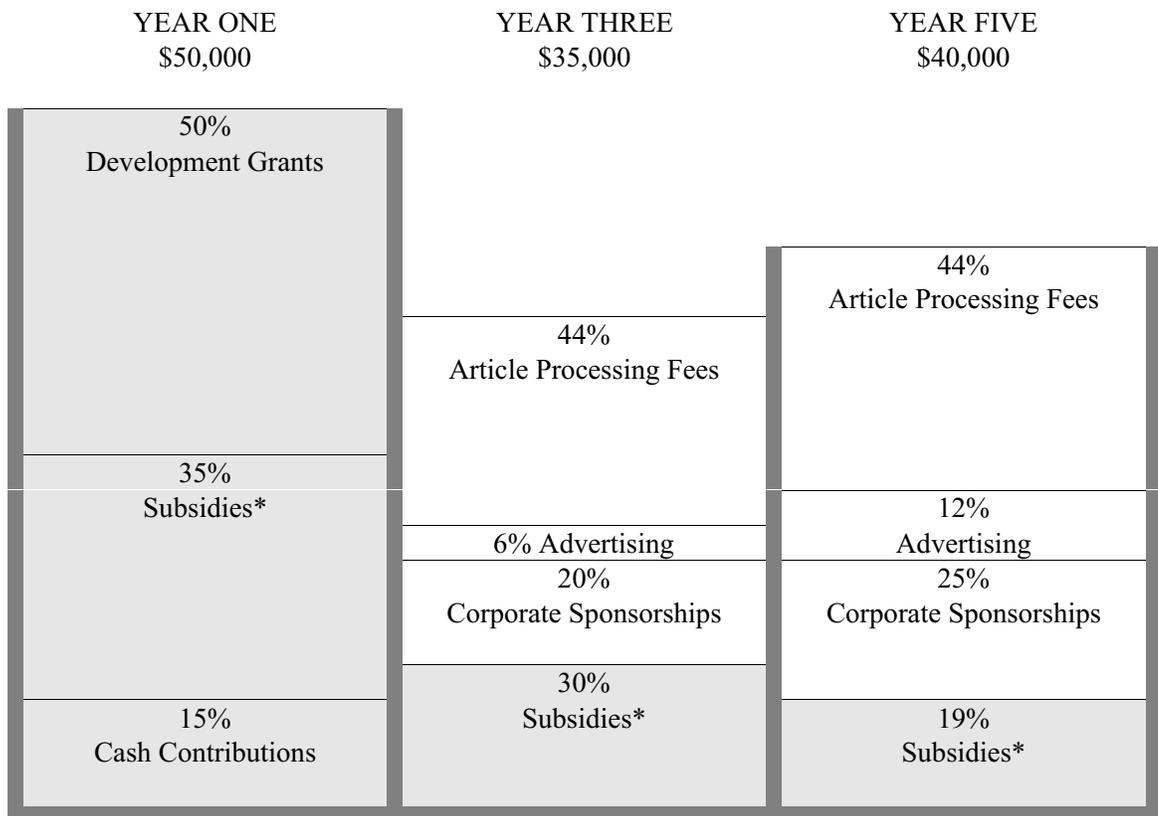
*Subsidies from affiliated institution(s) or organization(s).

| External Dependencies |
| Self-generated Income |

Chapter 6. EDITORIAL, CONTENT AND COPYRIGHT CONSIDERATIONS

This chapter, in which you describe editorial and related considerations for your new journal—as well as complementary publications, if relevant—will be of great interest to your readers, possibly of utmost importance to some. (As suggested above, there is a close relationship between the topics in this chapter and in Chapter 4, which can be consolidated into one chapter.)

Topical checklist for Editorial, Content and Copyright Considerations	
About the content	• Subject areas; types of content (primary, such as research papers, review articles, opinion pieces, correspondence, book reviews, event calendars, etc., and complementary, such as research data sets, audio and video, and models and simulations); scope; and sources. • Key factors (e.g., market research of potential user interests, analysis of existing journals and gaps in the field, guidance of editors and advisors). • Types and credentials of intended authors, likelihood of their submitting research papers, other content. • Quantification (in narrative and/or in a table such as shown in Figure 5, as an example, below). • Critical mass of primary content necessary to achieve and sustain high credibility and impact. • Language of content (and possibly, multi-lingual publication). • Distinguishing competitive features.
Editorial strengths, practices and policies	• Building and shaping the cadre of editors and referees. • Editorial board, activities and responsibilities; standing. • Key editorial policies and requirements for author submissions. • Distinguishing competitive features; similarities and important differences relative to other journals in the field.
Editorial systems	• Automation and communication tools; developed or acquired; how deployed.[9] • Advantages, including process efficiencies and economies.
Author agreement, copyright and author's rights	• Policy regarding copyright (who owns, who files). • Standard author agreement, basis and/or models used. • Distinguishing competitive features, innovations (if available, include specimen agreement in the Exhibits).[10]

In this chapter you might insert a table that quantifies the volume of content you will publish. Figure 5 provides a hypothetical example:

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[9] For example, will your journal use electronic tools for editorial and production flow-through, including management of issues and articles, author submissions, peer review and editing, and pre-press, collectively and typically called an "editorial toolkit" or "electronic manuscript system" (EMS).

[10] No project or enterprise should operate without professional advice in preparing agreements and licenses. Even in the case of an Author-Publisher Agreement, for which there are many examples readily available for your adaptation, an attorney should be consulted.

Figure 5.   ESTIMATED ONLINE CONTENT MEASUREMENTS

JOURNAL OF ABC	Volume 1	Volume 2	Volume 3
Issues	4	4	4
Research papers	40	48	48
Other papers	6	8	8
Electronic page-equivalents *	500	600	600
Cumulative electronic page-equivalents	500	1,100	1,700

* 5,700 text and coding characters equals 1 electronic page-equivalent.[11]

Those are the basics, but there are other considerations potentially relevant to your initiative and journal. Consider the following:

More topics (as applicable)	
Rights and grant-of-use permissions of others	• Intellectual properties of others requiring grant-of-use permissions and status. • Nature of any financial, barter or other arrangements.

Perhaps more than anything else, authors want to ensure the visibility and long-term preservation of their research. They will want assurances that others will be able to find their research and access it in perpetuity. All concerned—the publisher, editors, key supporters and participants—hope for the journal to achieve high impact within its peer group. To achieve this, you might also consider:

A&I	• Coverage by appropriate abstracting and indexing services.
Links	• Cross-fertilization and increased web site activity enabled by links from and to other sites.
Reference-linking	• Internal reference linking (within the publication). • External reference linking from and to other papers in other publications via use of identifier systems such as DOIs (Document Object Identifiers), the Open Citation Project, and CrossRef.
Archiving and perpetual access	• Policy to ensure long term access and digital preservation. • Recommendations of the library community. • Deposit programs for archiving and whether these endorse and allow open access.

Recognizing the paramount importance of attracting quality author submissions and support, you might include a sub-section within this chapter that focuses specifically on benefits to authors and appreciation for their rights and privileges. Which of the following apply to your new journal?

Benefits that may have compelling appeal to your author community include:

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[11] Even when you are not publishing a print edition, page equivalents provide a convenient metric for less technical readers to gauge your publishing volume.

Editorial and scientific integrity	• manuscripts are reviewed by eminent editors and expert referees to ensure the highest quality of published papers • the journal follows editorial policies and practices reflecting high integrity and credibility of its scholarly content
Greater visibility, impact of research	• proper acknowledgement and citations • extensive abstracting & indexing, and reference linking
Quicker, wider path to publication	• online publishing eliminates the time taken to prepare, manufacture, and mail the printed journal • no one in the international community is denied access based upon economic barriers
Legacy	• research is assured of archival permanence and perpetual availability
Enlightened authors' rights, flexibility	• copyright retained by the author and exclusivity not demanded • or, if copyright is to be ceded to the publisher, the author still retains important rights
Putting principle into practice	• an opportunity to support a new alternative journal much needed in our field, and to demonstrate real participation (more than just support in principle) in the open access movement

Present a full discussion of your plans, making a strong case for your journal's value to its field, and the position to which it aspires relative to existing publications and information sources. These will be major determinants of your ability to attract leading editors and authors for the publication, as well as searchers to your site.

Chapter 7.   TECHNOLOGY CONSIDERATIONS & PRODUCTION PLATFORM

An essential element of your plan is how the new journal will be produced and distributed. Since so much of a digitally-published journal's production and dissemination is technology-based and inseparable from its technical solutions, this guide suggests the two topics of technology and production be given a combined treatment. However, as suggested throughout, any reasonable alternative structure may be used.

For simplicity, the following discussion primarily addresses technical considerations for an Open Access electronic journal, but there are certain parallel considerations if you are publishing in multiple formats and/or contemplating complementary products and services.

Start by summarizing how your journal will be produced and distributed (in all media). To build the platform for a smooth and efficient production/distribution process, indicate your accomplishments (including tests and trials, if any) to date, your plans for actions, your resource requirements and the availability of expertise and resources at various key stages within the cycle. This might start with content acquisition and manuscript management, flow to pre-press and/or pre-online and through to quality assurance for publication. Identify not only to the action points, but also the hand-offs from one stage to the next. Discuss the use of automation as well as dependencies on people and manual processes. (Including and referring to a flow chart or other graphical depiction of the action points in the process may be helpful.)

Publishing electronically raises questions concerning the timing of content delivery. While print publishing forces the aggregation of articles into issues, digital delivery allows for the release of content units more frequently, even immediately as individual articles are approved for publication. You will need to determine whether you will publish on an article-by-article basis or will aggregate articles in a manner analogous to traditional print issues. While the former has the obvious benefit of speeding access to the content, it also entails some practical issues. For example, the publication date of a print article typically coincides with an issue and volume number. If released serially, each article might need to be dated individually to supplement the issue and volume information. If you intend to allow articles to be emended subsequent to publication, then you will need to maintain some form of version control in addition to specific publication dating. Obviously, these dates will need to be reconciled with any print version you offer, and you will need to declare which version is definitive.[12] Additionally, to be effective and add substantial value at little cost and effort, you can implement a subscriber email alerting system that automatically provides notifications—in this case, to online users who have provided their email addresses and interest profiles (subjects, authors, etc.)—that an article has been released.[13]

In its most basic form, an electronic journal might be little more than the straight posting of article files on a web site. Such a basic implementation is both relatively simple and inexpensive. However, to better serve the interests of your research community—and to promote acceptance of your publication as a high-quality journal reflecting best practices—you will want to give special attention to content presentation and usability. At a minimum, as the journal begins to grow, you will want to impose a hierarchical

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[12] You may want to consult with several university serials librarians for their opinions and advice. For full credibility and visibility, the journal must be accommodated within the library's bibliographic and serials management systems.

[13] Obviously, this capability requires putting a subscriber sign-up system in place. For more on this, see Chapter 8.

organizational structure. This could involve merely grouping articles by issue and issues by volume, in a manner analogous to a print journal. If the journal papers themselves are of any appreciable length, it would often make sense to divide them into logical sections (for example, abstract, body subsections, appendices, illustrations, sources cited, etc.) to aid user discovery and navigation.

As the volume of journal content grows, the value of an internal search mechanism increases. Your journal's search capability should allow users to locate relevant content quickly and easily. A simple full-text keyword search capability may suffice, or searches could be aided by a controlled subject index to the content. This latter enhancement would require that you develop and maintain a controlled vocabulary appropriate to the content, and apply the indexing consistently. Often, a subject specialist such as a bibliographer within a university library will be able and willing to help you in creating and maintaining an appropriate subject index scheme.

Use this chapter to address how you will apply technology and solve any foreseeable technical issues and challenges. This is especially important if this is your first foray into online journal publishing and you are encountering these matters for the first time. Conversely, if you already publish electronic journals, then most of your existing systems can likely be applied to the new journal as well. In any case, a logical aspiration is to give your e-journal and web site the highest reasonable and practical degree of functionality and value to its users. It is not always crucial that this functionality be implemented all at once. Rather, it can be implemented incrementally as demand dictates and resources permit.

In addition to the issues outlined above, your plan may examine such matters as web site development and hosting, tools for manuscript management and editorial processes, database back-ups and archiving, etc. Typically, a technology plan reflects the collaboration of multiple experts and concerned parties, which may be highly beneficial to your process. If circumstances permit, this entire matter is one for which a technical advisory group may be especially helpful in formulating and validating the plan. In some cases, it is useful to include a separate, more detailed "Technology Plan"—created and/or endorsed by this group—in the Exhibits.

As you plan, you may find the topical checklist provided below to be useful. This checklist addresses the issues that pertain to most electronic journals. If e-commerce, web advertising, or other components are part of your business model (at launch or sometime in the future), you will need to develop technical plans for those special requirements.

Topical checklist for Technology Considerations and Production Platform	
Expertise requirements and availability	• At various stages (e.g., development, pre-publication, launch and on-going publication/operation). • At various places within the technology infrastructure.
Types of technology and technical solutions	• State the objectives of technology use. • Principal technologies that have been or will be deployed—software, hardware, and network across each activity area. • Dependency upon internal/custom solutions versus off-the-shelf or other proprietary, existing/adaptable versus new. • Sources, and if custom programming is required, scope and schedule of work and by whom.

Web site	• Look, feel, and functionality of the site and each of its principal components, starting with the home page (with illustrative facsimiles if possible). • Special considerations, as may apply, such as display of web advertisements, sponsors; interactive online discussion group; links from/to related sites; etc.
Infrastructure	• Infrastructure description (and/or diagram), highlighting internal versus external across each activity area and at each action or transaction point. • Location(s); responsible parties internally, externally. • Relationships to publication and/or organization.

Online publishing on the Internet	• Objectives and standards for the e-journal's:
	  • electronic formats (e.g., SGML, XML, HTML, TIFF, PDF, etc.) for e-publication of digital content;
	  • online searching;
	  • online displays;
	  • online linking, internal and external; and
	  • access and database security.
	• Advantages and disadvantages (possibly to be overcome at some point) relative to:
	  • publication and market needs; and
	  • digital archiving – immediate and long term.
	• Quality, process, and schedule assurance.

Benchmarking (or usage data collection)	• Data to be gathered automatically, for example: users; visits (site traffic and time per visit); demand (e.g., searches and hits) for abstracts, articles, authors; and system response time and downtime. Also see Chapter 8 below. • Possible uses of benchmark data for editors' and managers' evaluations, etc., and for reports to concerned parties (e.g., supporters, sponsors, advertisers, members, etc.). • Controls relative to user privacy policy.
Relationships (both strategic and electronic)	• Front-end author/editor automation tools to end-product, special efficiencies and benefits. • Journal's relationship to other e-journals, aggregations and archives (do they allow open access?), and A&I databases. • Journal's digital content to preparation and production of off-line products, if any (e.g., printed journal). • Other publishers/producers with whom there is a sharing of technology, resources, etc.
Compromises	• Noteworthy compromises or trade-offs in the near term, if any, and justification. • Possible resolution (e.g., upgrade) at a future point.
Risks and how addressed	• Key elements of technology plan as yet undetermined or unproven. • Operational failures: contingencies, back-up. • Rapid changes in online e-publishing technology. • Possibility of resources being inadequate to keep pace with changes.

Fortunately, you will not be breaking new ground. Many others have already resolved all of the basic technical issues of publishing an online e-journal, as well as mounting and operating a multi-faceted web site with multiple products/services components. Resources are readily available to help you create and implement your plans, and to obviate reinventing existing, adaptable solutions. Some solutions are remarkably easy and inexpensive.[14] Also, getting advice from colleagues is a good starting point.

Finally, as part of your investigation, you may want to speak with vendors who offer virtually complete, turnkey e-journal publishing and online solutions, from the front-end editorial automation to the maintenance, operation and hosting of the web site. You may find that the cost of out-sourcing is reasonable and justified, compared to the alternatives, and working with one or more competent vendors will allow you more time to attend to such crucial activities as editorial management, promotion, and business and financial management.

Chapter 8.   ONLINE USER CONSIDERATIONS

A number of fundamental topics should be addressed within this chapter or elsewhere in your Business Plan. These include:

Topical checklist for Online User Considerations	
Internet access	• Primary host site and mirror sites if any (including locations, arrangements, rationale, etc.). • Minimum platform capabilities that will be required of online users. (For example: Are there restrictions on web browsers that will be supported? Will users be required to install a special application program to use certain features? Will users need an especially fast Internet connection?) • Special concerns regarding online use by persons in less developed countries where equipment and software may be inferior, and by persons with disabilities.[15] • Special protection systems including security, user authorization, transactional, etc.[16]
User privacy	• See discussion below.
User agreement and/or notice	• Requirement (or not) for users to accept an agreement governing access and non-commercial uses, or policy statement (a notice) on the site in lieu of an agreement.

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[14] For example, many vendors offer secure systems for processing e-commerce transactions, with no up-front cost and only modest per-transaction fees. As another example, if you want to establish mirror sites in geographically strategic locations, you are likely to find universities on every continent willing and able to contribute server and network capacity in support of your open access initiative.

[15] A good starting point concerning disabled online users is the Web Accessibility Initiative (WAI) of the W3 Consortium. See http://www.w3.org/WAI/Resources.

[16] There is no need for an access management system that controls online user access to open access content. However, if some parts of the web site do require authorization (for example, being limited to paid subscribers), then a system will be needed. Furthermore, every web site needs protection against hackers. And, every web site that facilitates purchases, such as e-commerce transactions, needs a customer data protection and security system for that, as well.

	• Principal terms of agreement and/or policy (include a specimen in the Exhibits). • Special emphasis on Fair Use.
User training and support	• Needs for user training, online tutorials and help screens, FAQs, etc.[17] • Help desk responsibilities and email system for inquiries.
Determining demand and user demographics	• See discussion below.

Virtually every product in every marketplace needs a mechanism for determining demand. Sometimes that is as simple as counting sales. For example, for fee-based journals, market demand—a *de facto* validation of journal quality—comes from the traditional market mechanism of the purchase transaction. While this market mechanism is not a perfect gauge of scholarly or social value, it does provide a valuable indicator of a journal's perceived market value. For Open Access journals, where measuring sales is not applicable, user statistics can provide analogous indicators of value and quality. This will be important in not only attracting and retaining leading editors and authors, but in proving a return-on-investment for the journal's early and ongoing supporters.

USE STATISTICS AND USER DEMOGRAPHICS: BENCHMARKING

Counts of registered subscribers and simple online traffic volume are useful, but insufficient in themselves. Use statistics must be sufficiently detailed to reliably indicate such occurrences as:

- site traffic, including total number of site and journal visits (sometimes the same, sometimes not) and time per visit;
- total number of unique journal users;
- average number of visits per user;
- average number of abstract and full-text page hits per user; and
- average number of abstract and page hits per session.

Looking at this differently, the journal's publisher and editors will want to know, during each measurement period (e.g., week, month, quarter and/or year), which subject terms, authors, and articles receive the most use. Additionally, site and content usage statistics can be combined with demographic data to project the journal's reach for a particular market or user segment. Optimally, you might want to deploy a subscription registration system[18] that captures for each registrant such demographic data as:

- primary academic discipline and interest;
- institution or organization of employment or principal affiliation;
- geographic location;
- professional level (faculty, researcher, student, practitioner, etc.);
- education level attained; and

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[17] Ideally, the need for training and supporting online users will be minimal, resulting from the design of both your journal and web site. Still, there may be times when a user needs an answer to a technical or content question, and as the lowest-cost solution, this would be handled via email to the help desk designee.

[18] While a limited amount of information can be deduced from IP addresses, it can be awkward to analyze and yield unreliable results. The better solution to capturing valuable demographics, if and when practical for your enterprise, is a subscription registration system.

- other demographic data.

This data collection can be fully automated, and at relatively small cost it will create a valuable information asset. For example, knowing the number of unique visitors to the journal's web site from all universities in a geographic area such as North America or Europe, or from universities worldwide with degree programs in your discipline, correlated to the number of researchers in the journal's target audience, would allow you to estimate your market share and penetration. The data provides important insights on the value and utility of the journal relative to other journals in the same field of study, as well as on the effectiveness of your promotion efforts. Further, being able to show improvements in your journal's performance in these metrics provides a powerful indicator of success, as well as allowing you to benchmark your journal's performance against successful journals in other disciplines.

These use statistics provide valuable operational feedback for both the journal's editorial and business operations. From an editorial perspective, they indicate which content receives the most use and—assuming a subscription registration system that captures user demographic data—by whom. From a business perspective, they provide the basic user information essential to drive many business models, including corporate sponsorships, advertising, partnerships, and others. For philanthropic models, the data demonstrates to supporters the value and utility of the content they are supporting.

PRIVACY AND DISCLOSURE

You will want to give a top priority to policies and practices that will protect online user privacy and give users such assurances. A 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.

Chapter 9.   MARKETS, MARKETING, SALES AND PRICING

Avoid a fatal flaw in your planning. Never assume that:

- because your publication is free, it does not need to be promoted and publicized in order to achieve is full potential impact;
- because your products or services are superior competitively, they will sell themselves;
- because your journal will reflect the best practices of an eminent board of editors and reviewers, authors will be lining up to have their papers published;
- because you know your field, there is no need to conduct research to identify and validate the legitimate wants and needs of your intended audience and/or customer base;
- because yours is a not-for-profit enterprise, you do not need to think of it as a business; and,
- because your budget is tight, you cannot afford do market research, advertising, promotion, and publicity.

The issues above establish a critical need for comprehensive market awareness and effective marketing (and, sometimes, selling, of which market-sensitive pricing is an integral element). No Open Access journal's Business Plan can afford to overlook the topics discussed in this chapter. Even if your journal has commitments for full funding and support in perpetuity, you must use promotion, publicity, and possibly other activities to build journal and site awareness within its intended community. As noted previously, both authors and readers place great importance on a journal's visibility and market position.

Building awareness of the Open Access journal within the broadest possible audience *and* generating sales of complementary products and services (where required) can be done through a variety of channels: publicity, direct mail, space advertisements, telemarketing, field selling, subscription agencies, conference exhibitions, etc. Most of these and others are generally used in promoting *subscription-based* journals. However, these same channels are also available to publishers of *Open Access* journals (who may find other channels not open to commercially-published journals).

Generally, larger multi-title publishers capable of leveraging the scale of their in-house marketing operations will realize efficiencies and greater productivity in the deployment of the more cost- and labor-intensive marketing methods. For most small and single-title publishers, however, concerted marketing operations will prove too expensive, both in absolute terms and relative to return-on-investment. Fortunately, Open Access publishers of even modest resources and means can use inexpensive but effective marketing channels to promote awareness and increase use, and, where applicable, to generate sales. Here are a few specific opportunities to partner and achieve marketing synergies with shared-interest organizations. These techniques are especially appropriate for not-for-profit scholarly journals and can be quite effective in reaching a target audience inexpensively:

- Learned and professional societies: Naturally, the target audience for a scholarly journal can often be reached through the society or societies that

serve the same field of study and practice. You may be able to persuade a society, as a service to its members, to apply its marketing resources to publicizing your Open Access journal through its web site, member communications, and other channels. Even if the society publishes a journal in the same research area, you may still be able to arrange an in-kind swap of advertising space assuming, of course, that your Open Access journal does not compete directly.

For cross-fertilization, a barter arrangement might be possible: as a *quid pro quo* for the society's assistance, you could offer visible acknowledgement and a link, or even a free banner advertisement on your journal's web site.

- University presses: A list of a university press's buyers of monographs and texts in your discipline is potentially an excellent resource to use in your promotional efforts. Again, a barter arrangement could be made, such as described above.

- Digital publishing and library initiatives: A number of nonprofit organizations have as their mission the encouragement, support, and promotion of Open Access publishing and other alternative, non-commercial publishing models. These include OSI, SPARC, and several others. In certain instances, these organizations will lend their marketing resources—and their brand approval—to publicizing the availability of both new journals and those converting to Open Access from a subscription-based model.

While OSI, SPARC and others cannot typically provide the discipline-specific, end-user targeted marketing that societies and university presses can apply, they can raise awareness of your Open Access journal within institutional markets and with potential funding sources.[19]

The following checklist may be useful in your planning and preparations for development and launch. As indicated elsewhere, some suggestions should be adapted, added or omitted depending upon your situation. As with other elements of the Business Plan, the degree to which you may be able to address these topics will depend on where you may be in the R&D and planning cycle. However, even if "hard facts" are unknown, one should make a best effort at providing topical coverage with such caveats as "proposed," "estimated," and "approximately."

Topical checklist for Markets, Marketing, Sales and Pricing	
Market analysis	- Identify your overall market universe and project your target market share. - Describe and cite any market research, both yours and relevant research conducted by third parties (include any research instruments and analyses in the Exhibits). - Identify, describe, and quantify the segments within your market universe or intended audience. Distinguish between different products and services, and between different types

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[19] The SPARC Partners Program has proved highly effective in helping many scholarly communications programs gain attention and credibility in the international research library community (see: http://www.arl.org/sparc).

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	of users or customers, such as by type of organization. (Inserting one or more charts may be useful to illustrate these data. See, for example, Figure 6, below.) • Comment on whether the market(s) are mature and clearly defined, with prospects relatively easy to identify and reach, or if the market is emerging or amorphous. • Indicate the outlook for any material expansion or contraction of the number of prospects and/or in the demand of the marketplace or audience.
Competitive landscape	• Describe the competitive landscape. (Even if you addressed competition in an earlier chapter, you may want to reiterate and/or expand upon important factors.) • Identify and assess the strengths/weaknesses of noteworthy competitors. Comment on their relative market position. • Indicate the most formidable competitive barriers to market entry and acceptance, and how you will overcome them.
Market capture, or getting market share	• Project your share of the market (as measured by the number and proportion of authors, users, or customers within the total potential universe). Be conservative, avoid being too optimistic at this stage. • Present your evidence or other basis for the projections, and/or any relevant comparative examples (such as the experiences of other open access journal publishers of which you are aware). • Include a table (or several tables, one for each product or service contemplated). These may be of value to your plan's readers. (See, for example, Figure 7, below.)

Marketing, promotion and public relations ("outbound marketing")	• Describe how the journal (and any products and services) will be marketed, promoted, and publicized.
	• Describe the channels and methods to be used and why, when and at what cost, if any. (Here is a list of classic methods:)
	  • press releases and directory listings (e.g., in the DOAJ)
	  • conference exhibits
	  • presentations at conferences and meetings
	  • printed and/or email promotion to target groups
	  • advertising on one's own web site and/or in other media or sites
	  • distribution of product reviews, endorsements and the like
	  • cross-fertilization (e.g., promotion and publicity to members or constituents of supporting organizations, links from/to related sites)
	  • in-person demonstrations
	  • free trials to online services that will become available for purchase

Scheduling information	• Provide highlights of the significant activities and events scheduled for promotion and publicity (and selling, where applicable). Give dates (where possible) and indicate responsible parties.

	• A schedule might be inserted within this chapter or referenced in the text and included in the Exhibits. (See, for example, Figure 8, below.)
Strategic relationships	• Indicate generally where responsibilities for marketing, publicity, and promotion will reside within your organization. • Identify other organizations with which strategic relationships have or are likely to be formed, such as a marketing agency or authorized agents or distributors, and the scope and basis of any such relationships. (Also see immediately below.)
Achieving critical level of sales	• For the products or services on which the operation is dependent for revenue (generally to help subsidize publication of the open access e-journal), indicate the minimum levels in units and/or sales amounts necessary to achieve, individually, favorable cost-benefits for the publisher (i.e., better than break-even), and collectively, cost-recovery or somewhat better for the operation as a whole.
Pricing strategy for complementary products and services	• Delineate the goals and strategies for setting prices for those components of your product or service model that will be available only on a paid basis. • Indicate the extent to which these for-purchase components will contribute to operating income. • Summarize market research and findings (including competitive comparisons) used to formulate the strategies and determine theoretically optimal pricing.[20]

Purchase options and prices for complementary products and services	• For each complementary product/service not freely accessible online, describe the
	  • unit of purchase (such as annual subscription, one-time purchase, online pay-per-view, etc.); and
	  • the price or prices, as such might vary by:
	    • media (online or off-line such as print or CD-ROM);
	    • type of customer (institutional, individual, etc.); and
	    • level of service (full or partial subscription, daily or weekly alerts, etc.).
	• Discuss competitive considerations (such as how your pricing compares to similar products from others in your field).
	• Indicate the policy and/or plan regarding future price increases and how this may be incorporated into your financial projections for future years.

Special focus on actual selling	• Address where (internally or externally) and how actual sales activities will be conducted. Be sure to indicate and describe any significant out-sourcing arrangements and the qualifications of these parties (which may include partners and supporters, such as the promotion department of a society or the sales department of a university press). • Explain the cost-benefits and anticipated productivity of your internal and external centers of action and responsibility.

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[20] Some would contend that all introductory pricing can only be "theoretically optimal" because the only reliable test of the market's receptivity to pricing comes when orders are actually solicited.

• Show that you have considered the requirements that may or will be associated with sales administration, order processing, invoicing, and accounts receivable.   • If any products or services are sold, they will have actual customers, and these persons will occasionally need some assistance and support. Indicate in your plans how this customer support will be handled; who will respond to customer inquiries, complaints, etc.   • Identify any noteworthy sales- and customer-related policies and practices.

As mentioned above, charts and tables add interest to your document and aid in the communication of key points. For example, a pie chart is usually a good device for illustrating the market universe, as shown in this sample.

Figure 6.   MARKET UNIVERSE
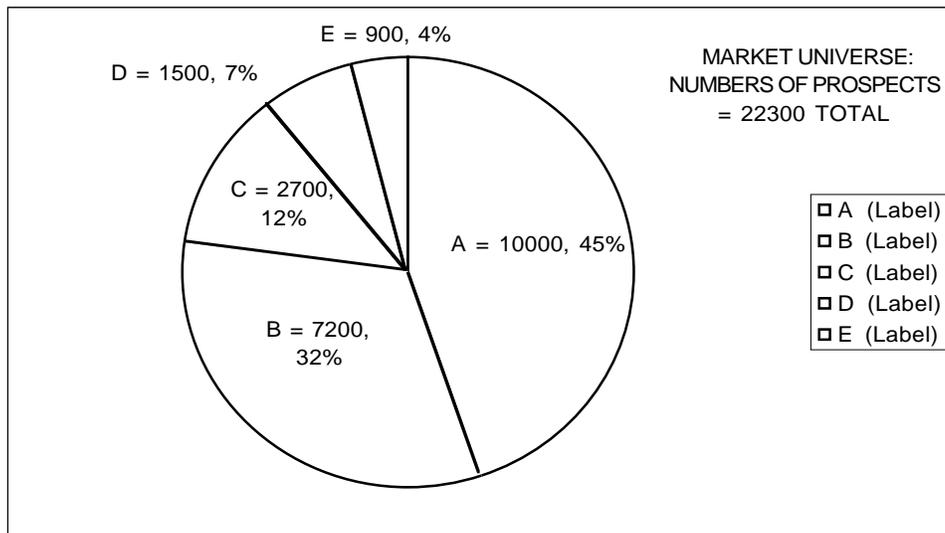
A tabular presentation of data, such as shown below, provides good reference points for your commentary.

Figure 7.   PROJECTED MARKET SHARE

	Year One		Year Two		Year Three	
	#	%	#	%	#	%
FOR *EACH* MAJOR PRODUCT OR SERVICE						
Market segment A						
Market segment B						
Market segment C						
Market segment D						
Market segment E						
Total						
# = number of users (or subscribers or customers) within total segment market universe % = as a percent of prospects in market universe						

A schedule for key promotional activities (such as shown in the sample below) could be included within this chapter, or referred to and incorporated within Chapter 12).

Figure 8.   YEAR ONE PROMOTION AND PUBLICITY SCHEDULE

Month/Year	ACTION	Responsible
	News release on project initiative, development grant and availability of forthcoming publication distributed to ---------	
	Written and telephone contacts made to potential site sponsors	
	Call for papers posted on web sites of -------- and -------, and distributed by email to ---------	
	Program event at membership meeting of the Society of ABC, discussion and distribution of model author-publisher agreement	
	Descriptive flyer printed, mailed with letter from --------- to ---------	
	Beta site promoted for trial access and feedback in email announcements to ---------	
	Table-top exhibit and program event at XYZ Annual Conference	
	Etc.	

It may be appropriate to conclude this chapter with a summary examination of the budget for marketing, publicity, promotion, and sales. Unless that is trivial, you might highlight the most noteworthy factors—the total marketing and related budget and its largest categories—for which greater detail and back-up may be given in Chapter 11.

In reality, your initiative may have very limited resources of which only a small portion can be allocated to marketing and promotion. But even if the budget is tight, these are matters that demand your special attention—and creativity—in order to avoid the overconfidence that has led some developers and planners to underestimate the effort required to successfully launch a new journal, even if access is open to all users. As a final comment: Many of this Guide's readers are scholars or others without experience in this chapter's topics. For the new journal, in particular, consulting or collaborating with an experienced publisher in scholarly communications, such as a society or a university press, will garner expert input and may open channels for marketing and promotion that would otherwise be difficult and possibly costly for you to duplicate.

Chapter 10. ORGANIZATION AND STAFFING

Use this chapter to review organizational and staffing matters. This topical checklist probably covers more than will apply to any one organization. Choose what fits your situation and add whatever else may be appropriate.

Topical checklist for Organization and Staffing	
ORGANIZATIONAL OVERVIEW	
For a department, division, or group within an existing organization	• The lead (or sole) entity and its position within the parent institution; position (stature) in the pertinent communities. • Other key players: founders, partners, etc. • Official business location. • Status/type as a nonprofit and tax-exempt entity (e.g., under umbrella of parent organization).

	• Mission and purpose of the parent organization and for this publishing initiative. • Governance and/or high-level decision-making structure for this publishing initiative; persons and positions. • Committees, working groups, etc. (e.g., editorial, technical). • Position (e.g., chief operating officer, director, manager) and person with top responsibility for implementation and management (summarize relevant credentials and, optionally, include curriculum vitae in the Exhibits). • Advisors (paid or volunteer) integral to the enterprise. • Organization chart, if relevant (or could be included in the Exhibits).
For an independent or stand-alone organization, such as a not-for-profit corporation	• Brief history and basic description of the organization. • Other key players, if any: founders, partners, etc. • Official business location and jurisdiction of incorporation. • Status as a nonprofit and tax-exempt entity and type under applicable national and local law and regulation. • Mission and purpose of the organization and for this initiative. • Governance and/or high-level decision-making structure (e.g., board of directors—officers, members, organizations represented). • Committees, working groups, etc. (e.g., editorial, technical). • Corporate officers. • Position (e.g., chief operating officer, director, manager) and person with top responsibility for implementation and management (summarize credentials and, optionally, include curriculum vitae in the Exhibits). • Advisors (paid or volunteer) integral to the enterprise. • Organization chart, if relevant (include in this chapter or in the Exhibits).

HUMAN RESOURCES

• Description and estimates of human resource requirements.
• Staffing strategy: full-time, part-time, student/intern, contractors, other.
• Positions filled, recruitment schedule.
• Compensation and benefits policies; payroll and benefits administration.
• Requirements for, and arrangements (existing or contemplated) with, independent contractors and consultants.

PROFESSIONAL SERVICES

• How legal needs will be met (corporate, business, intellectual property, licensing).
• How finance and accounting needs will be met (e.g., budgeting, bookkeeping, accounting, audit, periodic financial report preparation).
• If applicable, how tax matters will be handled (tax advice, preparation and filings in accordance with applicable national and local law and regulation).

INTELLECTUAL PROPERTY MATTERS

• Tradename, trademark or service mark, patents, URL and domain name—which have been or will be filed for and registered, any such properties used under grants of permission from another party?
• Copyrights: policy regarding owner of published materials (authors' works, other), and process for filing. (Also see Chapter 6.)
• Special trans-border and international issues, if any.

INSURANCE AND LEGAL LIABILITY ISSUES[21]	
For a dept., div. or group within an existing org.	• Types of insurance coverage via the parent organization. • Types of additional or special coverage that will or may need to be acquired to supplement the above. • Policy regarding the provision and acquisition of representations, warranties and indemnifications to/from authors, content owners, vendors, agents, etc.
For an independent or stand-alone org.	• Types of insurance coverage for the stand-alone organization. • Policy regarding the provision and acquisition of representations, warranties and indemnifications to/from authors, content owners, vendors, agents, etc.

When appropriate, use the Exhibits to incorporate actual or specimen documents. Such might include, for example: articles of incorporation and bylaws; policy and procedure manuals; and agreements regarding copyright and license to publish, and author's and publisher's representations, warranties, indemnifications. (Some of these documents may already have been cited in connection with in an earlier chapter).

Chapter 11. FINANCIAL PLAN: BUDGET AND FORECAST

Open access journal implementations to date have been diverse in scope and varied in their implementations. Both costs and income can vary widely. Such disparate experiences make it difficult to formulate a universal economic model that all, or any one, Open Access journal can apply with confidence. Indeed, even if such a universal model could be presented in this Guide, it might be misleading and cause planners to avoid or shortcut the crucial process of financial analysis specifically for the project at hand. That said, this Guide offers below a detailed outline for your financial analysis and planning.

The financial plan is a vital component of your Business Plan, showing in financial terms, comprehensively, the budgeted and projected results of your operation. First, however, there are basic decisions that should be made or at least considered fully prior to developing the plan itself. Suggested topics are given below. Your planning and decision-making will benefit greatly from consultation with an expert, either an outside accountant or the financial director of a parent or affiliated organization.

Financial planning prerequisites	
For an independent or stand-alone organization such as a nonprofit corporation	
Determine accounting and financial reporting practices, applicable guidelines	• Select practices to be consistently applied. In most cases, in the US, this will be GAAP (Generally Accepted Accounting Principles) and in Europe and elsewhere, this will be IAS (International Accounting Standards) or local standards. • Indicate method of accounting (accrual or cash method) used in financial data in this document and most likely to be used in your operations.

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[21] For example, Directors & Officers (D&O) Liability, Property & Casualty, General Liability and, as above, Internet/Media Insurance. As an online publisher, you may want to consider Internet/Media Insurance for potential claims for copyright/trademark infringement, libel, invasion of privacy, errors, omissions and negligent acts relating to content and unauthorized access on the Internet. (If your insurance coverage is via the parent organization, determine if this is covered.)

Establish the FY, typically Fiscal Year in the US and Financial Year in Europe and elsewhere	• FY may be calendar year starting January 1 (FY ending December 31). This is usually appropriate when income and expense cycles are expected to be spread out over calendar year periods, even if not equally month to month. Or: • FY may be any 12-month period starting with the first day of a calendar quarter: starting April 1 (FY ending March 31), starting July 1 (FY ending June 30), or starting October 1 (FY ending Sep 30). This usually reflects a particular operating cycle (e.g., corresponding to the quarter of receipt of a major grant expected over a number of years).
Select software for budgeting, accounting, and financial reporting	• Ideally, one software program should handle every aspect of financial management, from creating a chart of accounts and preparing the budget to bookkeeping and periodic reports. • A common program such as Microsoft Excel™ or Quicken™ business software may be all that is needed. Or, one might select from the many off-the-shelf programs with features especially for nonprofit organizations.
Establish a Chart of Accounts	• A chart of accounts is a categorized and coded list of all accounts that the financial system tracks and for which each income or expense item will be coded. (Your software should facilitate this process.)
Consider out-sourcing	• Evaluate the benefits of out-sourcing bookkeeping and accounting relative to internal costs and realistic capacity. • If you decide to use outside services, much of the above will easily fall into place.

For a department, division or group within an existing parent organization	
Determine accounting and financial reporting practices, guidelines	• In most cases, practices to be consistently applied will parallel those of the parent organization. • Guidelines are usually available and should be studied closely.
Establish the FY	• It is almost certain your operation's FY will be the same as that of the parent organization.
Select financial software	• Your operation may use the parent organization's software and system.
Establish a Chart of Accounts	• Obtain the chart of accounts and ensure its uses, according to established procedures, for financial tracking and the coding of each income or expense item.
Establish internal and/or parent organization services	• The parent organization's finance/accounting department may provide all necessary services (either contributed to the project or under a cost charge-back arrangement). • Even with this, your operation may need to comply with certain established procedures (e.g., accounts payable and receivable, employee time sheets, etc.).

Once you have obtained expert advice and addressed these matters (even if all are not resolved fully), you should be prepared to develop the financial plan. Perhaps the most crucial financial objective for the Open Access publisher is to keep expenses low enough for the publication to remain economically viable.

This Guide assumes that your financial goal is cost-recovery (also known as break-even, which may include a modest operating surplus and/or some cash reserves for investments in future enhancements, data migration and archiving, etc.). The challenge, as described throughout this Guide, is to develop a sustainable way to accomplish this, especially if grants or similar types of financial support will diminish over time and the enterprise must transition to being self-supported.

The success of *any* self-supported enterprise will depend upon the ability of its managers to create a low expense structure for the conduct of operations, managing for optimal cost-efficiency and productivity to lessen the pressure on income requirements. The response is to keep *fixed costs* as low as possible, and therefore, better control the entire cost structure and more readily afford dissemination of the e-journal under Open Access. Fixed costs (or fixed expenses) are operating expenses that are incurred to provide facilities and organization necessary to do business—in your case, engage in publishing—without regard to actual volumes of production, sales, online users, etc. These costs remain relatively constant until changed by managerial discretion (e.g., a decision to hire more permanent staff, increase office space, etc.). Within general limits these expenses do not vary with volume and are typically paid each month. *Variable costs* are the other side of the expense structure. Usually, variable costs fluctuate in proportion to volume (e.g., the number of copies of a publication that are printed and mailed, while pre-press costs for design, typesetting and similar would typically be fixed regardless of volume). The good news about variable costs is that they usually increase in proportion to sales income, for example, the greater the number of paid subscriptions to a printed journal, the more copies that must be printed and mailed.

Generally, scholarly journal publishing is characterized by high fixed (or "first copy") costs and low marginal unit costs. In other words, the cost to develop the "first copy" typically represents a fixed, substantial investment—regardless of distribution medium—while the incremental cost of producing and delivering each subsequent copy is relatively modest. Indeed, in the case of digital formats, incremental distribution costs, using the Internet, approach zero. Depending on the anticipated size of the journal's online user base and the timing and nature of a complementary print version (if any), printing and print fulfillment costs might also represent a small proportion of overall journal costs. Typically, publishing a print component makes sense where the market demand for a convenience or archival print copy, from institutional and/or individual subscribers, supports print subscription charges sufficient to at least offset the incremental costs.[22] Whether such a print subscription would be priced to recover costs, or to generate a surplus that offsets other publishing costs, depends on the business model being applied.

Presenting the Financial Plan

Typically, this chapter starts with a summary overview—a brief review of the most noteworthy factors affecting, and inputs to, the finances of the publication and operation. In one or a few paragraphs, give your readers a good sense of the overall financial picture, then proceed with a thorough examination. The following lists typical main categories for review.

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[22] Economics aside, the intangible benefit of a printed journal may be substantial. Print adds to the publication's prestige as perceived by most authors and many of their colleagues, particularly within academia.

Results (actual and projected) of the financial plan customarily include examinations of:	
Income or Revenue	including all major types of funds from external dependencies and/or self-generated sources, presented in logical categories
Expenses	including both gross and net of any in-kind contributions or other expense offsets, also presented in logical categories
Net Operating Results	which is either a surplus or deficit, or a "net zero" ("break-even") result
Cash Flow	which is realized as receipts less disbursements
Cash Position	which, if positive, is the amount of cash held or retained, or which, if negative, is the amount of deficit

You might think in terms of a commentary that structures the examination *vertically* for each of the above components and their noteworthy sub-parts, and *horizontally* within each component for standard review periods (as is shown in the two figures inserted below).

Review periods for the financial plan are customarily:		
Prior Year Actual (if there is a financial history)	Budget for current year (indicating if approved or proposed)	Forecast for a number of future years

It is especially appropriate to use tables in this chapter to present important data at a glance and to serve as reference points for your commentary. Many plan writers find it effective to first design tables to highlight the key data they will be discussing and then proceed with the commentary. If you accept this Guide's suggestion to include a FINANCIAL SUMMARY table in Chapter 1 (see sample, Figure 1), you might *also* include it within this chapter, placed at or near the start.

Figure 1.   FINANCIAL SUMMARY

FY ending December 31 $ amt's. rounded to nearest hundred	Year Actual	Year Budget	Year Forecast	Year Forecast
Income (or Revenue)	$	$	$	$
Gross Expenses				
Expense Offsets				
Net Expenses				
Operating Surplus / (Deficit)				
Pct. of Income (or Revenue)	%	%	%	%
Cash Surplus / (Deficit)				

Further on, you might present an expanded table, with greater levels of specificity, to serve as additional reference points for your commentary (which may include detailed explanatory footnotes as one would see in a financial report). Some plans work best with such a table incorporated into the chapter, while others work as well by placing it in the Exhibits.

Regardless of placement, the sample shown on the next page (see Figure 9) may help you construct your table. Of course, categories and line items will reflect your particular situation and the categories within your CHART OF ACCOUNTS.

Figure 9.   FINANCIAL STATEMENT

FY ending December 31 $ amt's. rounded to nearest hundred	Year Actual	Year Budget	Year Forecast	Year Forecast
INCOME (or REVENUE)				
Grants	$	$	$	$
Contributions				
Subsidies				
External Dependencies sub-total				
Author publication charges				
Affinity relationships				
Complementary publications				
Self-generated sub-total				
INCOME (or REVENUE) TOTAL				
EXPENSES @ GROSS				
Salaries and wages				
Payroll taxes and benefits				
Independent contractors				
Professional Services				
Office supplies & miscellaneous				
Telephone, fax & communications				
Occupancy				
Insurance				
Marketing, publicity, promotion				
Conferences				
Travel, entertainment				
Editorial systems				
Content acquisition				
Database				
Reference-linking				
Web site, hosting services				
Server, network				
Production and fulfillment				
Reserve for data migration/archiving				
Reserve for contingencies				
Indirect - allocated costs				
GROSS EXPENSES TOTAL				
EXPENSE OFFSETS				
In-kind Contributions				
Other				
EXPENSE OFFSETS TOTAL				
EXPENSES @ NET TOTAL				
RESULTS FROM OPERATIONS				
OPERATING SURPLUS/(DEFICIT)				
Pct. of Income (or Revenue)	%	%	%	%
CASH SURPLUS/(DEFICIT)				

In the above sample (Figure 9), financial data are presented in a multi-year view. Most plans also give additional data pertinent to the Budget and reflect an effort to tie the Budget to the near-term plans addressed in Chapter 12, below.

A spreadsheet for the Budget is customarily presented with a 12-month and/or four-quarter breakdown. In terms of format, the Budget spreadsheet is an extension to the right of the first column (as in Figure 9) which lists categories and line items of income, expenses and results. The categories and line items, in one left-hand column going down the spreadsheet, should parallel those used in your summary table. In one common format, the Budget's periods are presented in 17 columns going across the spreadsheet: each Month and three-month Quarter's total (e.g., Jan., Feb., Mar., Q-1, and so forth), and a Total for the year, as illustrated below.

Figure 10.   MONTHLY BUDGET for Fiscal Year Ending 12/31/__

Line Items	Jan	Feb	Mar	Q-1	Apr	May	Jun	Q-2	Jul	Aug	Sep	Q-3	Oct	Nov	Dec	Q-4	**Total**
1	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
2																	
3																	
4																	
etc.																	

Another common format uses five columns across: totals for each Quarter (Q-1, Q-2, Q-3, Q-4) and for the Year. If this is the version you include in your Business Plan, no doubt you will also have prepared a monthly breakdown and can make that available upon request.

Figure 10.   QUARTERLY BUDGET for Fiscal Year Ending 12/31/__

Line Items	Jan-Mar (Q-1)	Apr-Jun (Q-2)	Jul-Sep (Q-3)	Oct-Dec (Q-4)	Total
1	$	$	$	$	$
2					
3					
4					
etc.					

Of course, one may use any commonly-accepted format. In the case of a program that operates within a parent organization, using that organization's preferred format is indicated.

In concluding this <u>Financial Plan</u> chapter, address general matters such as those listed below. (Some relate to the PREREQUISITES discussed above). Again, you might want to consult with a financial expert for advice on your options and applicability:

- bookkeeping, accounting and financial reporting practices and guidelines
- accounts payable and receivable systems and policies

- banking and cash management
- periodic reports and management (and other concerned party) review: types of reports, schedule for issuance and review
- independent auditing

If appropriate, your closing commentary for this chapter may be to mention the participants and process for developing the financial plan. Be sure to acknowledge any expertise of the participants, which can only add to credibility and smooth the path to obtaining approval.

Chapter 12. OPERATING PLAN

In this chapter you will be presenting the logistics and schedule for implementing the project in the near term, addressing specific actions that reflect your strategies to meet the objectives discussed in the preceding chapters. The "near term" is as you define it. Typically, this will be the 12-month period of the upcoming fiscal or financial year and budget. In some cases, however, one might address a longer period with an expanded horizon if, for example, incremental actions leading to product launch span more than 12 months and the upcoming FY.

Here you will identify and describe key actions in a way that all involved parties will know what key accomplishments are needed, when and by whom. A timetable may be used to show scheduled benchmarks at a glance, and serve to measure progress. Obviously, this plan should not be created in a vacuum. Consult the parties responsible for components of your plan, and confirm their commitments.

An effective operating plan generally will provide a level of detail sufficient to identify and guide the work—presenting a clear indication of the desired outcome or event—but will avoid including so much information that your plan's readers become overwhelmed or confused.

This Operational Plan chapter can combine commentary with a tabular summary. You may prefer a relatively simple table to present your schedule, such as shown in Figure 11 below[23]. (A good solution, to avoid complexity in the body of the plan, but still show that your planning has been comprehensive, is to place the highlights in this chapter *and* include a Gantt Chart or other type of detailed scheduling tool in the Exhibits.)

Figure 11.   LOGISTICAL SCHEDULE FOR (YEAR OR PERIOD)

When	What	By whom
	PLANNING	
	Penultimate draft Business Plan submitted to directors and other concerned parties	
	Incorporate feedback into draft Business Plan, re-circulate as appropriate	
	Business Plan Version 1 (including Year One Budget) finalized, reviewed and approved	

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[23] This is for illustrative purposes only and reflects an entirely fictional scenario. The format for your plan highlights and the categories under which scheduled outcomes and events are listed may follow any logical construction.

	EXTERNAL DEPENDENCIES	
	Confirm development grant from ---------------	
	Confirm subsidy from ---------------	
	Confirm in-kind contribution support from ---------------	
	Implement academic library contribution solicitation program	
	ORGANIZATIONAL	
	Form editorial board	
	Form technical and intellectual property advisory committees	
	Create boilerplate licenses and agreements	
	Form governing body, convene first meeting	
	Implement staffing plan (start recruitment)	
	FINANCIAL & ACCOUNTING	
	Establish finance & accounting, payroll systems, policies, practices	
	TECHNOLOGICAL	
	Engage independent contractors for software development	
	Confirm and secure all major technical resources	
	Complete stage one software/systems development	
	Test and validate all technical resources and systems	
	Complete stage two software/systems development	
	Complete all technical systems for beta use by invitees	
	Complete all technical systems for public access	
	EDITORIAL & CONTENT	
	Establish (or confirm) editorial policies, criteria for content	
	Acquire and install author, editor, reviewer automation tools	
	Test and validate author, editor, reviewer automation tools	
	Begin content acquisition and pre-publication pilot process	
	Modify and finalize systems, tools and procedures	
	AFFINITY RELATIONSHIPS	
	Solicit sponsorship support from ---------------	
	Engage advisor to assess opportunities for web advertising program	
	PUBLICITY AND PROMOTION	
	News release on project initiative, development grant and availability of forthcoming publication distributed to ---------	
	Written and telephone contacts made to potential sponsors	
	Call for papers distributed to ---------	
	Program event at membership meeting of the Society of ABC, discussion and distribution of model author-publisher agreement	
	Descriptive flyer printed, mailed with letter from --------- to ---------	
	Beta site promoted for trial access and feedback in email announcements to ---------	
	Exhibit booth and program event at XYZ Annual Conference	
	ONLINE ACCESS / JOURNAL PUBLICATION	
	Promote and facilitate beta and trial use by select user group	
	Gather and respond to feedback from beta/trial users	

	Complete any necessary modifications	
	Establish university-based mirror sites in ------, ------, and ------	
	Test and shake-out of web site simulating "real life" conditions	
	Establish working relations with A&I services, linking arrangements	
	Launch open access e-journal	

Chapter 13.   BUSINESS RISKS, CONTINGENCIES, AND MID-COURSE CORRECTIONS

Of course, there is no guarantee that any project will succeed as predicted or hoped for, despite thorough and objective planning. Your Business Plan should recognize the risks and indicate possible contingencies and mid-course corrections. You might consider the following:

ADDRESSING POTENTIAL RISKS

- *Sensitivity analysis:* Which are the most critical factors and how sensitive is the outcome to variances (actual vs. estimated)?

- *Risk analysis:* What is the possibility of a material underestimation or overestimation of some crucial factor (expenses, sales or funding, author receptivity, online usage, etc.)?

- *Evolving and unforeseen situations:* What trends should be most closely observed? What changes in the environment might occur to strengthen or challenge the project?

There are uncertainties both known and unknown. One should expect at least some of these to materialize, to some degree. The impacts may present challenges or opportunities. The point, from the plan's perspective, is that you will be prepared to respond.

PREVENTIVES

Many of the most successful Business Plans build in reasonable preventive measures or activities that will reduce the probability that a risk will manifest to an irreversible stage. For example, if failure to achieve a certain level of critical mass in quality author papers would have a significant negative impact (as it most surely would), what are the ways that original policies and practices could be modified to increase publishing incentives and/or the influence of the editorial board in attracting submissions?

CONTINGENCY ALLOWANCE

In financial terms, one might establish a contingency allowance in the budget, perhaps 5% to 15% of expenses. This is not necessarily for possible cost overruns, but rather, may represent the combined impact of expenses above and total income below budget (resulting in a net operating deficit).

For projects with substantial external dependencies, this might be accommodated by building the contingency allowance into the grant request, with the proviso that if it is not needed, it will be applied to the next year's operations or returned. Another approach would seek assurances from grantors that, if needed, a second round of funding will be made up to a pre-determined level (in effect, a line of credit).

For projects for which financing is mostly to be self-generated, one may include a contingency expenses account in the budget. If income is sufficient to cover all expenses

and the operation does not need to dip into the contingency account, a net operating surplus will result, which can be carried forward into the new year.

<u>CONTINGENCY PLAN AND MID-COURSE CORRECTIONS</u>

It generally is a good idea to present specific contingency plans, rather than simply offer a general statement such as "We will respond as necessary." Within your contingency plan, you might consider:

- What actions will be taken if critical requirements or expected outcomes vary unfavorably from plans and projections?

- What process and schedule will be used to measure the key indicators, and over- and under-achievement?

- What mid-course actions can be taken in the event of under-achievement – for each possible negative occurrence, what are your potential responses and remedial actions?

Chapter 14.   CONCLUSION (OR END NOTES)

The narrative is coming to an end. In not more than one page, recap and reinforce the most compelling and significant elements of your project and plan. This might be bolstered by repeating some of the key factors leading to your assertion that the initiative, under an Open Access model, is justified and should be supported by the parties from whom approvals and/or material commitments are being sought (or have already been secured). Reiterate why you are optimistic and enthusiastic, while also giving reassurance that you are being realistic. End with a reiteration of the key expected outcomes and successes.

EXHIBITS

Exhibits are an important supplement to most business plans. They present important sets of details, specimens, etc., without interrupting the flow or structure of the main text. Typically, exhibits are attached and numbered sequentially in the order in which they are referenced, chapter-by-chapter, in the body of the plan. Sometimes, however, a better approach is to organize the attachments within categories (e.g., Schedules, Licenses, Financials), or by order of importance.

Section III: APPENDICES

You may find useful information in these Appendices which are published within this document's companion publications, the *Guide to Business Planning for Launching a New Open Access Journal* and the *Guide to Business Planning for Converting a Subscription-based Journal to Open Access*.

A.   Potential Open Access Business and/or Funding Models:
       An Annotated Inventory
B.   Web Resources for Journal Publishers
C.   Privacy and Disclosure Policies
D.   Glossary
E.   The Open Society Institute
F.   The Budapest Open Access Initiative
G.   Lessons Learned from Open Access Publishers

IV-H.   Authors, Acknowledgements, and Feedback

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Feedback:

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