Defining Consortial Value

The CRKN External Review as a Test Case

Jocelyn Godolphin and Associates, Vancouver, B.C.
Jocelyn.godolphin@concordia.ca

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• Mandate: Expansion of access to digital content
• Member supported organization
• Nation-wide collaboration, established in 2000
• 75 members
Why this Review?

• Member concerns

• Track record of evaluations

• Focus on comparative consortial assessment

• Timeline: March 2013 – January 2014
Goals of Review

1. Assess CRKN’s negotiating efficiency and resulting benefits to members

2. Create points of comparison with other consortium for ongoing success in negotiating effectively

2. Assess CRKN’s administrative cost efficiency

3. Final report with recommendations to Board
Methodology

• Academic review model

• Expert external reviewers from other consortia

• Consultant for data collection and analysis

• Benchmark CRKN against other international consortia
How to Compare Snowflakes?

• 6 ICOLC members similar to CRKN: mandate, functions, size

• Diverse consortial structures: a challenge for comparative approach

• 3 similar agreements: stable, long term, electronic journal packages
Goal 1
Assessing Negotiation Effectiveness

• AKA

  *Is CRKN getting a good deal for its members?*

• Possible measures:
  - Annual percentage increases
  - Cost per use
  - Cost per FTE
  - Costs paid by individual libraries
Comparing Cost Data

• Data collection challenges: total costs, confidentiality concerns, longitudinal needs

• Comparability of agreements: term, title list, date coverage, treatment of new and transfer titles, etc.

• Currency differences: USD, GBP, EUR

• Definition of participants

• Agreement variables

• Environmental and historical contexts
Average Percentage Price Increases, 2007-13

Lowest Average Increase, 2007-13

Highest Average Increase, 2007-13
Cost Data Findings

• Average price increases declined since 2009: CRKN increases among the lowest

• Other measures (Cost per FTE, Cost per Use, Individual Library Costs) do not provide comparability

• Agreements appear more or less advantageous depending upon measure used: Cost per Use vs. Cost per FTE
Cost Data Findings Part 2

• Annual percentage increases most reliable measure

• Factors that challenge cost data comparisons:
  o Elastic market
  o Historic base for pricing
  o International context
  o Agreement variability

• Non-monetary license terms not a factor
Goal 2
Guidelines for Ongoing Negotiations

• Create points of comparison with other consortia for ongoing success in negotiating effectively

• Recommend ways to incorporate self-assessment into negotiation activities

• Review ‘significant and fair discount from the vendor’s standard institutional price’
Comparing Negotiations

• Questionnaire and telephone interviews; website and other consortial documents

• Topics
  o Negotiation goals
  o Member involvement
  o Setting negotiation priorities
  o Self assessment
  o Determining discounts
Negotiations Findings

• Members typically not polled
• Negotiation priorities were not always discounts
• Other priorities: collection sharing, technical support, pricing models, etc.
• Self-assessment not a frequent practice
• No consensus on meaning of ‘fair and significant discount’
• Model licenses mostly used as a standard
Goal 3: Assessing Consortial Efficiency

- AKA
  
  *Was CRKN’s administration efficient?*

- Preferred approach was to calculate licensing costs compared to operational costs

- Full operational costs only obtainable if consortium was completely independent
Comparing Consortial Operations

• Organization type and mandate
  o Funding source: membership or other
  o Size: ~ 10 - 400+ members; .25m – 2m FTE
  o Scope: licensing, resource sharing, digital collections, advocacy, services. . .

• Licensing activities
  o 30 – 450 agreements; 37m - $118m
  o Member services: invoicing, technical support. . .
Operations Findings

• Diversity of functions

• Mandate and membership (i.e. funding sources) had considerable influence

• Consortia are lean operations

• Staff workload balance with member communications

• Consortia generally had not documented operating efficiencies
Utility of Review Methodology

• Cost data as measure of value

• Critical role of external reviewers: guidance in development, context, authority in presentation

• Significantly different consortial contexts: a challenge for benchmarking

• Involvement of participating consortia
Revealing Value

• Strength of external review approach

• Member learning – and setting expectations

• Value of organizational responsiveness

• Consortial challenges

Thanks!