NEW MODELS FOR UNIVERSITY PRESSES

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You have asked me to speak about new business models for university presses, from the US perspective. I’d like to start with a quick sketch of the typical organization of American university presses today, in part because I think it may be somewhat different from the European patterns. There are around 100 university presses in the United States and another dozen or so in Canada. Most of us are members of the AAUP—as are the US branches of Oxford and Cambridge University Presses, which I will leave aside here as they are much larger than the US and Canadian presses and operate more like commercial publishers. The American university presses vary greatly in size, from those publishing just a few books a year to those publishing around 200, and our editorial programs vary, of course. But we have certain fundamental qualities in common, for the most part:

- Most important, for a discussion of business models, we are administratively part of our parent universities, but for the most part financial independent of them. We operate like businesses within the university. Most of us get some subsidy, especially the smaller ones; some get none. Many of us raise funds from foundations and individuals [a practice more common among cultural institutions in the US than in Europe, I believe]. As an example, my press gets about 85 percent of its revenues from sales of books and journals; 9 percent from the University; 6 percent from outside fundraising.

- As quasi-independent publishers, we draw our authors from many sources, not just our parent institutions. For most of us, only about 10 to 25 percent of our authors come from our own universities. And while most of our
authors are scholars with college or university appointments, not all of them are; increasingly, university presses think of themselves as cultural institutions publishing quality work for the educated general public as well as scholars and students. This has become important as the commercial publishing industry in the US has become increasingly focused on publishing bestsellers.

- We define our publishing programs by subject area, and seek the best authors in those fields. The larger presses will publish in a broad range of subject areas; smaller ones are more likely to focus in a handful of fields. As a group, we are heavily concentrated in the humanities and social sciences. The great majority of our books are nonfiction.

- We are primarily book publishers, which may seem obvious, but it bears on the question of new publishing models. Somewhat less than half of us also publish scholarly journals, usually in collaboration with learned societies like, for example, the American Historical Association.

- The audiences for our publications are a mix of scholars, students, and general readers; the relative balance among those different audiences varies from one press to another.

It has not always been this way. The current organizational model of American university presses developed in the late 1970s and 1980s. In the beginning—the first US university presses, including University of California, were established in the late 19th century—university presses published specialized monographs by their own faculty, entirely subsidized by their universities. Over time, those presses branched out to publish scholars from other institutions. During the 1960s and early 1970s, higher education expanded dramatically in the US as the baby boom generation reached college age; university presses were part of that expansion, as established presses grew and new presses were created. During those years, presses continued to focus primarily on publishing monographs and selling them mostly to libraries; money flowing into higher education meant that presses could support themselves on this model, so well, in fact, that universities began to withdraw subsidies from their presses and look upon them, if not as profit centers, at least as self-supporting entities. This financial model could not be sustained, however, as the rapid expansion of higher education slowed. Ironically, at just about the time that university administrations decided that their presses could be self-supporting, the main engine driving university presses’ sales—library budgets—began to level off and decline. University presses responded by diversifying their editorial programs to include books of broader general interest and, in some cases, textbooks. We began to think of ourselves increasingly as businesses, rather than publishing agents of universities.
This organizational model—university presses as publishing companies operating within universities, publishing print books in the humanities and social sciences for a range of audiences—worked reasonably well for 20 years or so. But it doesn’t work now, and hasn’t for a number of years, for several reasons. Publishing is not a growth industry in the United States. All of our major market channels are threatened: libraries, retail bookstores, college texts. Yet we still operate under the expectation that we will publish important scholarship whether it has a market or not. This is the fundamental challenge of operating as a business within the university: we operate in two worlds—the market-driven world of the publishing industry AND the value system of the university, which likes to believe that it is above the crass forces of the market economy.

In charting our future course, in creating new business models, we face several challenges, which I think are not confined to the US. Let me mention three:

- While university presses have devoted themselves to publishing books in the humanities and social sciences, with relatively little attention to the natural sciences, commercial publishers have pretty much taken over the profitable segments of scholarly publishing, namely scientific journals. Giants like Elsevier and Wiley have make big profits in this segment of the industry.

- Scholarship is becoming increasingly digital, both in terms of the delivery of content and in the way scholars work and expect to receive information. While there is still great resistance to buying and reading books online—thus ensuring at least a limited future for the printed book—people increasingly want to be able to access and search information online, including the information contained in books. Google’s activities in digitizing library collections and creating the Google Scholar program are the most obvious examples of this phenomenon, but by no means the only ones.

- Digitization of scholarship further threatens our traditional business models; and, perhaps more important, publishing in digital form requires investment capital that few university presses have. The commercial publishers that dominate scientific publishing have a big advantage in this environment, making it very difficult for university presses to gain entry to this market.

What does all this mean for future business models of university presses? There is no one business model that will fit all presses, of course. But I believe there are two key, related, components that must be part of any new model: first, we have to diversify our programs, moving beyond our nearly exclusive focus on printed books in the humanities and social sciences. And second, we must embrace digital publishing. This means digital distribution of traditional formats—books and
journals—as well as the creation of new, digital-only publications. This is easy to say and hard to do, as relatively small and undercapitalized publishers. We need strategies to overcome the disadvantages of size and lack of investment capital, strategies that will make us more competitive with the commercial scholarly publishers. I would like to highlight four strategies, which are to a considerable degree interrelated:

- Collaborate with other organizations, in particular with other presses for business services, such as sales and distribution.
- Align ourselves more closely with our parent universities; this includes, potentially, collaborating with other groups with the university, for example libraries and research institutes.
- Develop multiple funding sources: with the exception of a few very large, well-endowed presses, it is no longer reasonable to think that university presses can survive as self-supporting business and still maintain our mission to publish serious scholarship.
- Outsource technology; this is not so much a strategy as a means to an end. There are many companies that specialize in digital distribution of content. There is no need to duplicate their efforts. Indeed, none but the very largest publishers can hope to create the technological services offered by companies dedicated to that purpose.

The underlying themes in all of these strategies are how can we make the transition to digital publishing effectively and how can we be more competitive in a business that is increasingly dominated by large companies.

None of these ideas are new, of course. Most US university presses are already collaborating with other presses on business services; many work with scholarly societies and cultural organizations like museums and research libraries in developing content; some are making tentative steps toward working more closely with libraries and other units within their own institutions. I would argue that we should extend those activities, especially into digital publishing. In publishing journals, we are already far along in demonstrating what is possible. Let me cite two examples of success stories from the journals world.

Scholarly journals worldwide are now published primarily in digital form. Many journals no longer issue print editions; print versions that still exist are likely to fade away in the next decade or so. Those university presses that publish journals have not been able to create their own, in-house digital platforms as companies like Wiley or Elsevier have, but we have achieved much the same result by working with
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one of a handful of vendors specializing in the digital distribution of journals. Significantly, three major university presses—California, Chicago, and MIT—are all now publishing our journals on the same platform. (Even Blackwell, a major commercial publisher of journals, recently acquired by Wiley, uses the same platform, as does JSTOR, a nonprofit organization that sells packages of journals in humanities and social sciences.) This situation in effect puts us on a par with the big commercial publishers in our ability to offer sophisticated electronic publishing services, including features like the ability to sell individual articles and license rights electronically.

To cite another example, in 1993, Johns Hopkins University Press, which has a large journals publishing program, created a digital publishing platform for their own journals, bundled them, and began selling them as a package to libraries. They then began to contract with other university presses to include their journals in the program. Known as Project Muse, this is now one of the largest aggregations of scholarly journals in the humanities and social sciences, with 350 journals from 70 nonprofit publishers. Many university presses with small journals programs—too small to justify contracting with a commercial vendor as California, Chicago, and MIT do—publish their digital editions through Project Muse.

Thus, in publishing journals, university presses have successfully made the transition from print to digital publishing either by joining forces with other university presses or by contracting with companies specializing in digital technologies to create state of the art digital publishing platforms. What we have NOT been able to do up to now is to extend our marketing and sales reach beyond North America, to any considerable degree. A logical next step for university press collaboration would be to establish partnerships to market and sell journals, especially in the international arena. There are models for such collaboration in the distribution of books. The University of Chicago Press is the notable example here, providing distribution services for about 20 other university presses and small nonprofits and, incidentally, providing a revenue stream that helps support Chicago’s book publishing program. Other university presses have established smaller distribution businesses, and some of us have created joint-venture companies to distribute our own books; California and Princeton have formed one such company; Harvard/Yale/MIT are another. These arrangements work well because there are significant economies of scale in sales and distribution; and we can engage in them without impinging upon the editorial independence of each particular press.

Just as we might take a successful model in book distribution and apply it to journals, so we might also take strategies that have worked well in publishing
journals and apply them more broadly. The transition to digital publishing in journals has not yet found its parallel in the book world. This is not a failure on the part of university presses; readers, for the most part, still prefer to have their books in print format, for reasons that are fairly obvious. What works for a 30-page journal article doesn't work for a 300-page book. That said, there are clear signs about the future. Libraries are purchasing packages of books in electronic form, and there are indications that libraries will choose electronic over print versions when given the opportunity. For specialized scholarly books, which are more likely to be used for reference rather than read cover to cover, the ability to search in electronic editions makes such packages attractive. Scholars are beginning to seek the ability to include supplementary materials, in digital form, with their publications—additional images, film clips, musical examples, datasets. Others are creating altogether new forms of scholarly publication that simply cannot be contained in the traditional book or journal formats. University presses must figure out ways to embrace this kind of publishing if we are not to become obsolete. Up to now, most of us, if we publish books in digital form at all, license to e-book vendors, who sell individual e-books through online companies like amazon.com; and aggregators like Netlibrary and Ebrary, who package large numbers of books and sell them to libraries. But, sales of stand-alone e-books are minimal so far, and fees from licensing to aggregators are small. The danger is that, for our more specialized scholarly books, revenues from these various e-book options will usurp our print sales; and the licensing revenue doesn't begin to equal the sales revenue. What to do?

One alternative that is being much discussed among American university presses at the moment is creating a means to publish e-books ourselves, possibly by piggybacking on journals technology, or possibly by collaborating with other university presses – in effect, a Project Muse for books. Oxford University Press has already started doing this with its Oxford Scholarship Online, which packages books in specific subject areas for sale to libraries. Oxford, along with Cambridge, is big enough to do this on its own; the US-based university presses are not. If smaller university presses are to enter this market, therefore, we must collaborate among ourselves. There are various ideas for such a collaboration under discussion at the moment, although nothing concrete has emerged so far. Any such collaboration will need to include a technology partner—perhaps one of the same ones we use for journals, or perhaps one of the several e-book platforms now competing for our attention.

Developing digital publishing, especially those works that move beyond the traditional book/journal formats, obviously requires investment—investment in technology, yes, but also investment in people to develop and market the content.
The potential rewards are great, but the upfront financial commitment is a major barrier for under-funded, nonprofit university presses—especially at a time when our traditional sources of revenue are not growing. Hence my point earlier that we need to look beyond our traditional sources of revenue. In the US, many university presses are beginning to emulate other nonprofit cultural organizations like museums and opera companies in raising funds from philanthropic sources to help support their programs. My own press now realizes about six percent of its annual revenue from private fundraising—a modest percentage, to be sure, but one that allows us more flexibility in what we publish. We think of our outside fundraising in two ways: funds to support the kind of publishing that will never pay its way in the marketplace, like specialized books in the humanities; and investment capital for projects that we think will recoup their costs eventually, but will take years to develop. I used to see this outside fundraising as a necessary evil; the ideal scenario, I thought, would be to achieve a mix of publications that would allow us to operate successfully as a business. More recently I’ve become persuaded that this is just not possible IF we are to continue publishing serious scholarship. And we definitely need outside sources of funding if we are to invest in new forms of scholarship—and compete with commercial publishers in doing so. It’s a bit of a vicious circle: new forms of publication, such as electronic reference works, offer the potential for significant new revenue, but require money to develop—money that most university presses don’t have. Project Muse, which I mentioned earlier, is now very profitable; but it was developed with grants from the Mellon Foundation, which also supported early efforts in e-publishing at a number of other university presses (including California). I realize that in Europe there is less of a tradition of private philanthropy and greater government support of arts and cultural organizations, so perhaps in the European setting we would look to government funding, rather than philanthropy, to supplement sales revenue in supporting university presses.

I also think we need to look to universities themselves to provide more support for scholarly publishing, which gets me to my last point, about the need for presses to integrate themselves more fully into their universities. My impression is that the Spanish university presses are more closely linked to their home institutions, and receive a higher percentage of their revenues from their universities; but it also seems that there is an effort to gain a greater degree of independence for university presses. Functioning as an independent organization is a good thing, in my opinion, but in the US, we may be going too far in that direction.

There are several advantages to aligning ourselves more closely with our universities:

- They have prestige and visibility

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They are sources of innovative publishing opportunities. Our best sources of creative ideas about new ways of publishing scholarship are likely to be our own faculty.

They have significant technological resources, at least some of which can be deployed in the service of publishing. University of California Press, for example, makes about 2000 books available electronically through the UC digital library, at no cost to the Press.

They have significant financial resources. The challenge here, of course, is to persuade university administrations that publishing activities should share in those resources to a greater extent. In this endeavor, we are fighting against the trend of the last 30 or 40 years, during which university presses have established themselves as largely financially independent businesses.

How to do this? I’ve been talking about how presses can benefit from a closer connection to their universities; let me turn the question around and ask how universities can benefit from a closer alliance with their presses (and, by implication, from investing more resources in their presses.)

Universities want scholarship made available at a reasonable price, as is evident from the outcry in recent years over the high cost of commercially-published scientific journals. University presses provide a nonprofit alternative to the commercial publishers.

Universities want to support innovation in scholarship. With the right kind of technical and financial support, university presses can develop the publishing outlets for scholars who want to take advantage of new technologies to disseminate their work. Our business orientation is an advantage here, in that we have the skills to create business models for new publishing products. Not all experimental forms will find a commercial market, but some can recover at least a portion of their cost from sales. As publishers, we are the people who understand how to shape content and how to market and sell scholarship. We are the ones who can make this happen.

Increasingly, I think universities want to see the results of their faculties’ scholarship pushed out to audiences beyond the academy. In the US, this may be more important in public universities, which typically have public service as part of their stated missions. In the University of California, a long-range planning process currently underway states quite explicitly that the University wants to help scholars communicate their research results in ways that will help practitioners (teachers and health care professionals, for example); influence public policy; and influence public opinion. Publishing—and
publicizing—research results is obviously a very important part of this endeavor.

The challenge for presses is to make the case to their universities that these functions are worth supporting. What we are beginning to do in the University of California is to think of scholarly publishing as a broad university enterprise with the press as its core, but collaborating with the digital library and other units within the university that engage in various kinds of publishing activities, such as research institutes. We even have some ideas, very rudimentary at the moment, for working with the University-operated TV station. We are identifying research strengths and priorities and surveying faculty about their needs and preferences in publishing their work. Our goal is to create programs in line with these needs and research priorities, whether that means starting journals, monograph series, or designing new publishing formats. Part of our motive is to create those new programs before the commercial presses do. We are starting to think about publishing as part of the research infrastructure, much like the computer network and the library.

Am I suggesting that we give up our independent, market driven programs? Absolutely not. Our time-honored book and journal programs are a major source of revenue, even if they can no longer support our operations 100 percent, In addition, they are a very significant way of getting scholars’ work out to broader audiences.

So, to conclude, what might the future university press look like?

- It will maintain its core programs, but move into new formats, especially digital distribution of books and journals and the creation new, largely digital formats.
- It will stand at the hub of a web of connections, with other university units (especially libraries), presses at other universities, other cultural organizations, and commercial vendors offering specialized services.
- It will be supported by a mix of sales revenue, university funds, and private and/or government support.