THE NEXT FIVE YEARS: A PUBLISHER'S AMBITION

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Publishing is a process concerned with making products out of ideas. It adds value to the raw material received from the author. The publisher still has an important role to play in a multiple medium environment, but must adapt to change.

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When I was a child, 'looking forward' only had positive connotations. So as I look forward to the next five years, I will try to do it on the basis of joy and happiness, rather like the founder of our Group, George Routledge when he published his first work, a lyrical piece called *The Beauties of Gilsland*, in 1836. So my remarks are intended to lift your gaze from the troubles of today to the opportunities of tomorrow.

In the 1960s, when I started with Pergamon, scholarly publishing was a straightforward process, apart from Maxwellian distractions. It has changed in the intervening years:

- because the sheer volume of scholarship and research waiting to be published has doubled in twenty years;
- because the financing of university libraries has not kept pace with the demands of scholarship; and
- because the Internet now challenges print as the medium of publication.

The challenge to publishers is that there are no real barriers to entry on the Net. Anyone can set up a Web Page and distribute their own stuff. Academics and researchers use the Net every day to communicate with the invisible college of which they are a part. They do not need libraries, or publishers, to do that. The real threat to our places in scholarly dialogue comes from academics and researchers distributing their uncatalogued writings to each other without reference, without form or structure and without any quality control over, or organisation, of the literature. Our opportunity is to provide this organisation, and, most importantly, to ensure that continuity and momentum do not fall victim to the peaks of ambition and the troughs of disinterest.

Free beer and no police would be a profound disservice to scholarship. It would simply be replacing an environment, with its own order, accessibility, protocols and procedures, with chaos. It would replace 'literature' with undifferentiated data. Not only would publishers and librarians wane, but we as a civilised community would be diminished.

Publishing is often confused with its traditional output, the printed volume. In reality, publishing is a process concerned with making products out of ideas. Its function is the refinement, packaging, presentation and marketing of intellectual property. It involves peer review and product development, design, typography, paper selection, printing and binding, and the marketing, distribution and pricing of the product. It transforms a raw manuscript into something that readers want to use.

Publishing lies at the heart of scholarly communication because it adds value to the raw material received from the author. Not often does a paper reach a publisher in a state ready to publish. Authors' strengths lie at the cutting edge of research in their particular subjects. That is quite different from expecting them to be expert in design, layout, copy editing, marketing or distribution, which are our skills and responsibilities. The same is true in an electronic environment.

There is some arrogance in this statement, but publishers and librarians play key roles in efficiently communicating scholarship and research to the global community of scholars. Collectively, we play by rules that include peer review, and the permanent availability of published papers as part of the eternal scholarly library. Two established features of scholarly literature point to evolution rather than upheaval:

- A journal is itself a 'brand'. Its authority, editorial policy and content depend on the editor and editorial board. Their appointment is crucial because they give the journal its personality or, at least, maintain it;
- A journal paper must pass through a number of processes. The author prepares and submits it. Publishers facilitate its peer review, and undertake its publication, editorial preparation, copy editing and proof reading, marketing and distribution. Librarians provide access, archiving and indexing, amongst a host of other facilities.

Each journal seeks to be the journal of first resort in its discipline. Authors desire the prestige that comes from publishing in the best journals. Successful publications reward, both tangibly and intangibly, authors, editors and publishers, and the market.

Does the essential structure of creating, packaging and organising content really change, if we publish our journals on the Net? I suggest it does not. We can add more features to the electronic version, but the structure remains the same. Electronic journals can provide substantial additional value to working scholars:

- full reference retrieval;
- linked footnotes;
- embedded links that are continually updated, both forwards as well as backwards;
- complex figures converted into moving pictures;
- concept, or thesaurus-like, searches, which will follow major developments in artificial intelligence.

The technology does not yet exist to deploy all these features systematically, but it will during the next five years.

The challenge to us all is how we navigate the rapids, and come through intact. We are locked into a multiple medium environment for the foreseeable future. The paper-based journal will continue to serve, but the electronic version will develop and, in some disciplines, overtake its cousin very quickly. We have to change the business model, so that we can cover the costs of managing and certifying the quality of published output through peer review and of the features that exploit the unique capacity of the medium.

So what is happening to the underlying costs of producing a journal? Let me emphasise that printing and paper costs are not a big influence. They account for a relatively small portion - around 15 to 20 per cent - of the total subscription price. Between 60 and 70 per cent of publishing costs are fixed, and incurred in processes that are inescapable:

- direct costs such as review and refereeing, editorial work, preparing illustrations and making the printing plates or the electronic file;
- indirect costs such as subscription maintenance, marketing and author administration;
- editors' expenses, which continue to escalate, with PCs, faxes, e-mail and an answering machine, where a simple typewriter was once the key;

- the cost of the editorial office and the secretarial assistance, which used to be carried by the institution; most universities require the publisher to pay the full cost of such facilities;
- the enormous investment in technology for electronic editions, which needs to be renewed every two years and has to be met out of current revenues.

Publishers have compensated for the underlying cost increases they face by looking for non-subscription revenues, and by getting more into less space:

- discounted prices for relevant learned society members, thus covering a portion of the fixed costs;
- advertising revenue;
- sales of supplements and special editions sold to industrial or special interest groups;
- licence revenue from document delivery and other services that reach markets unlikely to subscribe to the journal;
- more words on the page, by increasing the size of the page, reducing type sizes, using double column setting and narrower margins;
- most important, the deployment of computerised submission, typesetting and page layout. Quality management, presentation and layout skills are applied to material that is in machine-readable form from the outset. The printed product may look traditional, but it has been created from a system that early Maxwellians would find unrecognisable.

We must also remember that new journals are needed as new areas of academic research emerge. They have to be financed from existing resources - i.e. from the revenues earned from current titles. The risk for the publisher is considerable, with the accumulated loss on a new STM title reaching £100,000-150,000 by the end of the third year; it will not cover its accumulated investment for five or six years, assuming it is a winner. In the humanities and social sciences, the break-even may be achieved earlier, but still it needs financing, and the rewards for success may be smaller.

Nevertheless, journal prices have increased dramatically in the last three decades. My colleagues tell me that, overall, journals are 30 times more expensive in 1997 than they were in 1970. This represents an average annual increase of over 13 per cent - rather like house prices, I imagine.

The traditional subscription model for the journal has stood the test of time. It has provided certainty of price during the subscription period for the library, while providing an income stream to cover the future publication, at a set frequency, of an as yet indeterminate number of pages, reflecting the volume of papers submitted for publication. We all budget our page extents. But my experience is that successful journals always exceed their page budgets.

The time has come to try something new, not only because library budgets are under such pressure and subscription numbers are being eroded, but also because technology has created opportunities to present new packages to the library community.

There are clear signs that the journal environment will change relatively quickly. A report published by the European Commission shows that while in 1997 only 1.5 per cent of STM and specialist publishing revenue (books and journals) was generated through electronic publications, in only two years this will grow to 15 per cent. While many librarians have been calling for the e-journal, perhaps on the mistaken assumption that electronic means cheaper, only now do the more enterprising academics on editorial boards recognise the long term potential of the changing environment, and specifically the immediate opportunities of the e-journal.

There is a growing perception in academia that the availability of an on-line version enhances the image of the journal, builds its prestige, and reinforces its authority. While two years ago the availability of an electronic version was scarcely mentioned, it is now a material factor when a society selects a publisher for its journals, and in providing the full range of services editorial boards now expect. Some editorial boards go further; if an on-line version is not made available, they will adopt a 'do-it-yourself' solution. They make it clear that the functionality of the on-line journal, especially in linking to references, enhances the value of the journal to the researcher. These features enable them to differentiate their

journal from its competitors, or at least keep up with them, thus attracting more and better papers.

I am sure that, within five years, the journal itself will be on the way to being a centrepiece of an extended range of electronic services for the community to which it is addressed. These will include electronic conferencing, the assembly of - or access to - supplementary articles or data, and pre-print server facilities. The journal truly becomes the brand, signifying the quality, culture and personality which it has developed since launch.

All these services have to be accessible. This is not merely a matter of making them available. They have to be easily located. The successful publisher will develop accessible information nodes, so that every time a reader uses the Web to search on a particular term, be it 'higher education' or 'South African politics' etc., a reference to the journal, or to one of its articles, authors or editors is retrieved.

Publishers are already adding on-line services. A number of organisations have current awareness services which push information to individuals who have registered an interest in either a subject 'cluster', for instance Education, Asian Studies, Gender Studies etc., or in a particular title. The contents page of each relevant issue will be e-mailed before the printed issue is mailed. This sort of activity is likely to become common. All the indications are that most registrants will sign up for at least one journal that they have not read regularly before. This might increase the demand from academics for additions to the collection. The journals that are featured will be more attractive to authors because individual articles, including their own, will be promoted. Moreover, it is likely that publishers will begin to pool their resources by sharing investment costs and including their titles in what will become a multi-publisher resource with critical mass. For sure we will do it internally, but I would expect us to work with other publishers as well.

The successful publishing-house will position itself for community-building in its principal areas of publishing, adding value and being responsive to the needs of different disciplines. By working with other publishers, we can create a critical mass of literature in one discipline. The importance of such a strategy will become more apparent as the electronic journal develops more features that are impossible to replicate in print.

Community-building involves us in addressing a crucial marketing question: what could be provided free of charge and what should be accessible only to paid subscribers? Part of the Internet culture is that information is free. The boundary between 'academic-friendly' linking, indexing, pointing to other resources etc., and the core journal content, for which payment is required, needs to be established.

The other major change in the way we do business lies in the growth of purchasing consortia. Purchasing groups like the UK's SUPC (Southern Universities Purchasing Consortium) have been in existence for many years, negotiating special terms with booksellers and subscription agents. The emergence of electronic media - initially CD-ROM, now joined by on-line - has led to the formation of many consortia to negotiate with publishers access to electronic and print materials on special terms.

- In the UK, the Pilot Site Licence Initiative has run its course, and will be replaced by NESLI (National Electronic Site Licence Initiative) to procure access to publishers' on-line journals for all UK universities;
- In Australia, CAUL (Council of Australian University Librarians) is negotiating Australia-wide licences to secondary databases, and has now concluded a licence to Academic Press's journal list;
- In the USA, there are over 200 consortia, often with overlapping membership, negotiating state-wide licences, or licences to cover their members, states, or regions.

Licensing consortia on special terms is only practicable if the licensed material is available in electronic form. Such licences enable the publisher to enhance journal circulation and revenue by bundling access, downloading and copying rights for an annual licence subscription higher than previously derived from individual print subscriptions, while facilitating access to more journals at a lower cost per institutional participant.

Such multi-institution licences will not exclude printed versions. They provide an opportunity to break out of the straight-jacket of the individual title subscription price and thus create competitive

advantage. Moreover, they bring opportunities for librarians to confirm their position as real customers, negotiating the usage rights they and their institutions need for the normal purposes of teaching and research. That opportunity for a business dialogue really is welcome.

There are a couple of issues that regularly arise in any discussion of site licences and electronic journals. The first is archiving, and the second is standards:

- Many librarians look to publishers to create and maintain an archive of electronic journal literature, whereas historically, libraries have assumed the responsibility for the scholarly archive. It is not in our culture to be archivists. It is not for nothing that libraries are classified in the EU as 'memory organisations'. Publishers have to survive take-overs, mergers, and bankruptcy;
- The quest for common standards is understandable. How much easier it would be if there were one set of technical standards, so that all computers could talk to each other, and the user only has to deal with one set of screen displays. Historically, however, standards have only become practicable where the technology is mature, and the demand from users is stable. To impose standards on a rapidly developing, but still embryonic, activity like electronic publishing will simply not work, because it will suppress innovation; but this does not deny the opportunity for a process to become a *de facto* standard.

On the second issue there is much more comfort for librarians than on the first. The answer lies in the 'common front end' that library utilities like OCLC and the major subscription agents have developed. Each one enables libraries to use one 'window' into a variety of publishers' systems, whether they are based on PDF, SGML, HTML, XML or *RealPage*. Each interface will be developed to make it more responsive and easier to use, simply through competitive pressure between intermediaries. Therein lies real progress.

So how does the publisher respond to these pressures and changes? Well, we have to plan for all eventualities. Like any business, the publisher has to forecast both the revenue from subscriptions, special sales, advertising, back issues and, increasingly, copyright fees, and the costs incurred through printing and distribution, sales and marketing, subscription management, as well as the overhead costs of salaries, office space and so on. Whether the publisher is a university press, a learned society or a commercial company, the disciplines are the same.

Many businesses have a five year planning cycle. Within Routledge, we work to a three year cycle - next year's budget, plus two years. Every year, the plan is updated, so that a rolling plan looking three years ahead is always on the table. In the plan, we address the strategic issues affecting our business - the sort of issues that I have just described - and set out what we expect to do to deal with them.

Good planning involves being close to the community we serve. Successful publishers depend on their commissioning editors, who forage academia for opportunities. They keep in touch with the development of all the academic disciplines in which we publish, and particularly the major areas of research activity. This understanding of the academic community is coupled with an innate sense of what can be successfully published, or what we can make into a product that will find favour in the market.

So why am I an inherent optimist? I am told library funding is flat. It is still difficult to sell most research and scholarship to the general reader, despite brilliant new bookshops. I think it is an insidious striving for excellence in what we do. Routledge has developed on many fronts, but remains one of the foremost monograph publishers, while all around us other publishers have thrown in the towel. Both Carfax and Routledge have expanded their journal programmes, often by taking on titles that other publishers appear to have found too difficult to persevere with.

Publishing is about taking risks. Our prosperity is about making those risks work for the libraries and readers who buy and use our output. We do not always get it right. But we continue to win more than we lose. Winners like George Routledge would recognise the picture, and would probably do the same.