THE PROBLEM: In 2007, a medium-sized publisher was expanding rapidly into digital publications. One of my tasks as a consultant for sales initiatives was to develop the sales activities for digital products. The licensing of digital content was an important and potentially very time consuming task. The headquarters of this publisher was in Europe. They had an established United States-based business that offered books and standing orders for titles in the humanities, social sciences, and natural sciences. The primary institutional market was academic libraries and selective research institutions.

For the original digital product—databases—there were three pricing models: subscription, purchase with maintenance fees, and one time purchase with ownership and no updates. The strategic direction was focused on the transition from print to either print and online, or online only for all subjects. At the same time, the company was expanding through the acquisition of content from other publishers and through internal growth with new titles and increased output for targeted subjects in both print and digital format. In anticipation of the transition to a completely integrated e-publishing platform by 2008, the publisher wanted the new system to manage current products and plan for an increase in the volume of digital products and licenses.

The challenge was to develop a robust sales plan, including licensing, and minimize the internal work without increasing the internal staff for the North American office. The North American office had four employees with no experience with licensing. For the rest of the world sales, the headquarters handled licensing along with rights management and permissions. However, as a separate corporation under United States law, a special process was needed for the North American office for both the existing and forthcoming digital products. A new set of Terms of Service would be introduced in 2008 with the simultaneous publishing of new monographs in print and online and an expanded list of journals, again in print and online. The number of database offerings would...
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Licensing Process Before SERU
Initially, the English language generic version of the licensing agreements ranged from four to eight pages with two or more pages for schedules with specific terms for the subscription access, price, and contact information. Completion of the generic license involved inserting the appropriate information for each institution and/or each product. Then discussion and negotiation involved usually one but sometimes two to three individuals from the licensing library and one from the company—sometimes as many as five individuals in total. In some cases, previous agreements that had not been renegotiated for the resources acquired from other companies involved locating and reviewing the original agreements and updating them through the use of amendments. Working with a support person, I negotiated, revised, and with assistance, prepared final agreements to be executed by both parties. This work was approximately 15% of the monthly billable hours.

As part of the sales cycle, a tracking process using an Excel™ workbook was put in place recording all agreements, modifications to the generic license, and digitized copies of executed licenses, with on-site storage of the original printed documents. A staff person spent approximately 10% of her weekly time on license revisions, tracking, and physical handling of the executable documents through signature. While the volume varied across the year, an average time spent by staff and myself was 24 hours per month, but as many as 18 hours for a single, complicated license when required by an institution. Fortunately, through online sharing of the license drafts and changes, the negotiation became more efficient. Even so, licensing was still a major time factor in the sales cycle both for the library and for the publisher. This method shortened the time between review and agreement. Reams of paper were used in the process.

SERU Offers an Alternative
In 2007, the National Information Standards Organization (NISO) had initiated a project called Shared E-Resources Understanding (SERU) to develop an acceptable alternative to the existing cumbersome licensing process that libraries and publishers were using. In 2008, at the time our project’s licensing volume was steadily increasing, the SERU Working Group was progressing from a concept, group discussions, drafts, and ultimately into approval of a NISO Recommended Practice.

Since time is a valued resource, I continued to track the process of the SERU Working Group as a possible alternative for our licensing. Our ultimate goal was to deliver access for the users in the timeliest, least stressful, and most efficient method possible. The SERU Working Group looked like it might accomplish those goals.

In anticipation of adopting the NISO Recommended Practice, we discussed with librarians and members of the SERU Working Group the viability of testing the concept. There was acceptance to the idea, as stated by the SERU group, that:

…the creation of a license is not required for the creation of a binding contractual agreement. The invoicing/purchase order/payment process is generally sufficient for the creation of a contractual relationship. Normal contract law and copyright law, of course, apply.”
The acceptance of this concept helped demonstrate that the perception by librarians and publishers that licenses for e-resources were required was resulting in backlogs or the inability of smaller publishers to offer licenses due to lack of internal licensing expertise. Some publishers even resisted transitioning to digital formats because of the potential legal burden. After years of working with licenses, especially with large publishers for significant investments, I recognized that where there was an existing successful business relationship between a publisher and the library, that relationship already included an element of trust based on prior transactions. This enabled me to recommend to the publisher that they be an early adopter of SERU. For the licensing project described above, the simplified SERU procedure was welcomed as a time saving and customer satisfaction improvement—less work, less stress, and less time from order to access.

Following publication of the SERU Recommended Practice (NISO RP-7:2008), a Registry was established where both publishers and libraries could express interest in using SERU for some or all of the relevant electronic products. When the opportunity existed for participating in the SERU Registry, the publisher signed up and received a timely listing on the Registry. Registration is voluntary but very important to create the awareness of which institutions, both publishers and libraries, are actively participating in the use of SERU.

The SERU Process

The first step for using SERU in lieu of the standard license process was to check the NISO SERU Registry for participating libraries. Our sales group checked the Registry and shared with any of the listed customers or prospects that the publisher was willing to use SERU. If the customer, or prospective customer, library was not listed in the SERU Registry, sales would briefly explain the value of SERU emphasizing the time savings and simplicity of a SERU business agreement. (There are now over 170 libraries or consortia listed in the SERU Registry.)

With digital products there are multiple individuals in various positions in the licensing institution who are involved with the e-resource acquisition and management process. One benefit of the SERU Registry was the provision of a specific contact person when the library was interested in using SERU. This eliminated a lot of time in finding the right person who both knew about SERU and could ensure authorization of acquiring the e-resource without a formal license.

The major difference with use of SERU is that all the legal terms we spent so much time in developing and customizing for each customer were now eliminated. The more traditional and familiar purchase order terms including what is being bought for what price and for how long was all that was needed to get an authorized approval.

When a library requested or agreed to SERU terms for a subscription, sales support provided a personalized SERU form e-mail and instructions on how and when to use SERU. (See Figure 1).

This form was created in consultation with librarians using SERU terms to ensure consistency and provide speedier processing of the terms/orders. As more libraries have signed up on the Registry, these SERU agreements have been used by existing customers with prior licenses in lieu of license amendments. Again, the time savings were welcomed by the librarians and their staff.
Following agreement to use SERU terms and the above e-mail communication and receipt of the library’s order, an invoice process is completed in 15-30 minutes, depending on the size of the order. By May 2009, there were 11 libraries with SERU agreements in place with the publisher. These 11 libraries represented many more than 11 digital subscriptions. The time saved varied based on the volume of new subscription sales. In 2009, I estimated with the range of product types and required revisions for licenses that these 11 accounts using SERU saved more than 100 work hours, valued at over $6,000. (This estimate is conservative.) For a license amendment the time saved is approximately one hour. Equally as important as the cost savings is the reduction in overtime often needed to complete licenses, improved customer service support, and staff time that could be moved from licensing administration to promoting and selling the products.

Going Beyond the Current SERU
With the acceptance and even delight, “Oh, good!” with which librarians have welcomed the SERU option, there is increasing interest in extending the approach to other pricing models, including purchase. Since SERU is designed for subscription types of acquisitions, the publisher has adopted their own terms to use for a purchase pricing model using a similar communication between library and sales, but applying the relevant purchase business terms in the e-mail and on the invoice to the library. Recognizing this type of business need, the SERU Working Group is currently in the process of updating the NISO Recommended Practice to cover non-journal e-resources, such as e-books, and additional types of acquisition and use models.

In conclusion, SERU will not replace or eliminate all license agreements. There will always be situations still requiring a license. For example, there are several states where the state institutions are tightly managed in terms of the allowable business contracts and licenses. In other situations, the most common reason given by librarians whose institutions are not willing to use SERU is inertia by one or more people involved in the process. The NISO SERU Standing Committee is continuing its education and promotion activities to overcome this inertia, including FAQs on the SERU website. They have encouraged the use of logos and short promotional messages from publishers and directly to librarians to help institutions announce and promote their SERU participation. As a result, the list of organizations on the SERU Registry continues to grow.

In conclusion, as Anne McKee, Program Officer for Resource Sharing, Great Western Library Alliance, said, “It’s as easy as sliced bread, a no brainer!...When a subscription product is being evaluated and then purchased through the consortium by a member library, the work is greatly simplified.”

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For more information on the process and to sign up for the SERUInfo Listserv, visit the SERU webpage: www.niso.org/workrooms/seru/