First of all, thanks ACRL/ NY.

I am going to talk very quickly today about the library and two types of consortia. My basic concern today is to challenge the myth that consortia necessarily provide superior cost or efficiency benefits...
Let’s start by considering the case for the Collection Development Consortium.
One often encounters the assumption that consortial deals must be better than direct library deals, anecdotally, as well as across the library literature, following from the origin story of consortia.

Consortia were initially formed to achieve “economies of scale,” so that libraries might join their “buying power” in order to gain “significant cost savings,” according to Sharon L. Bostick (2001, p. 129).

One can find fairly convincing, seemingly evidential, claims of savings in the literature. For example, Xudong Jin and Margaret Beecher Maurer claim that there is “no doubt that the unit cost of electronic information can be reduced significantly through consortial licenses” (2006, p. 44). However, they support that claim dubiously, noting that their Consortium, OhioLINK, “has on average kept increases at approximately 3.9%” as opposed to the “Average” journal inflation rate of “about 8%” (Jin & Maurer, 2006, p. 45).

In actuality, all package deals, regardless of who negotiates them, will include an inflation cap which will be significantly better than non-package journal inflation. I’ll discuss inflation caps on my library’s 5 “big deals,” among other issues, in a moment...
But first, let me back up. I think there is a hidden assumption involved in the mythology of consortia which could eventually complicate what I say here.

In short, I’ve encountered the assumption among some librarians that negotiation can’t be accomplished effectively by librarians alone. At a recent Unconference I helped organize on cooperative collection development, I heard several librarians say that they simply sign any licenses that come their way, or else they simply cancel licenses when their libraries can no longer afford them. They say they either don’t have the time or they don’t have the expertise to negotiate these deals.
There is a sense that the individual librarian or library can’t take on this work. It is just too much.

Or, further along these lines, there is a sense that consortia provide added efficiency. Thus, Jin and Maurer say that “Consortia reduce duplication of effort through the negotiation of standard license agreements, thus reducing the need for each institution to manage complex contracts with multiple vendors” (Jin and Maurer, p. 45).
In my own experience with journal packages, there is NO inherent efficiency advantage to consortially negotiated deals. Given either a direct deal or a consortial deal, I still need to reconcile title lists at each renewal and to review terms. What varies is my agency to do anything about those lists and terms.

Conditions will vary across differing consortia, of course, but in my case, I’ve found that my effort on consortial deals can actually be greater than my effort on direct deals. I’ve encountered two categories of problems.

1) I’ve found that the consortium is actually not doing some licensing work the library assumed the consortium was doing. And because the vendor also assumed that the consortium was the licensing agent, my work to complete a license was increased to the extent I needed to pursue several rounds of communication with BOTH the consortium and the vendor simply to get the vendor to work with me.

2) I’ve found that the work to renew consortial deals can be greater to the extent vendors are less communicative to libraries when a consortium is involved. That is, I’ve encountered greater time lags when attempting to deal with vendors in a consortial context.
A worse problem than either of these issues, in my view, is that I tend to lose the ability to negotiate AT ALL in a consortial context, or my ability to negotiate is reduced significantly.

In the two big deals handled by my CD Consortium, Minitex, I have absolutely no control over terms of access, terms of use, restrictions, and so on. I don’t even see the licenses until after they are completed.

One consortial license, from a few years ago, would have been illegal for me to accept by state law, but the consortium accepted the license on my behalf, and on behalf of all of the other MN state libraries in the consortium.

Similarly, I have no control over costs. I must either accept the whole package or nothing at all. On direct deals, I quite often re-negotiate costs – I don’t simply accept what is offered to me in the first round of discussions.
The truth is that vendors can be quite friendly and accommodating. The work to complete deals, while not at all negligible, is not usually onerous. Vendors will generally do what they can to help librarians reconcile title lists from year to year.

In my experience, vendors are usually quite willing to revise terms of the deal, even costs, to work within library constraints. Of course, there are exceptions, but in general, vendors can be quite good about working with libraries to get good deals done efficiently.
Discuss CPT, CPU, and “Negotiability” of 5 “big deals.” Note that Summon pushed usage around upon implementation, not always as the library would have preferred – thus Proquest database usage went up, often at the expense of Ebsco databases, and the usage of these packages was pushed around. Note also that the direct deals are all recent, while the consortial deals are old, so we’d expect usage of the consortial deals to be much better, given integration to campus syllabi.

<<NOTE that the contents of these packages could be analyzed to understand unit costs better, but that will have to wait until the upcoming semester break.>>

<<NOTE also that I’ve limited myself to the “big deals” only because of the time constraint. I could go on with other direct deals, similarly advantageous.>>
In short, in my experience, directly negotiated deals are almost always preferable to consortial deals. I have encountered absolutely no evidence that consortial deals are any better because of “economies of scale” – my library’s consortial deals are worse in every way than our direct deals.

That is, library AGENCY is far more important to deal-making than SCALE.

However, I realize that there is a limit to what I can claim here because my evidence is limited only to one collection development consortium and one library. I don’t dismiss the POSSIBILITY that consortial deals could be better for libraries than direct deals, in SOME CASES, if only those deals were handled well, probably best by taking steps to assure as much library agency as possible within the framework of consortial deal-making.
If we recall the librarians I mentioned earlier on, those who abdicate deal-making regardless of whether a consortium is involved or not, I do think there could be a vital role for a consortium to play.

At our Unconference, we agreed to form a task force to investigate opportunities for cooperative collection development. I expect several options will be on the table. One option could be that a sub-group is convened to consult on deals, thus enabling librarians to share knowledge and deal-making skills. Another option is that libraries could choose to work together on some group deals, on an opt-in basis. In this scenario, librarians could work together to hammer out deals acceptable to the group, with explicitly published price incentives to be enacted at levels of scale – thus making the myth of scale a reality. As a third option, if we find that a certain resource is desired by a very large number of libraries, we could even work with the existing CD consortium to get that resource covered by them – especially if there is the possibility of getting a state subsidy for the resource.

The key will be to find ways to maintain or even to increase agency across the cooperative.
Let’s switch gears now, and briefly consider the sad case of the Technology Consortium.

I have extensive experience serving on the User Council of my Technology Consortium, PALS, as co-convener of the Acq/ Ser User Group 2 years, Acting Convener 1 year, and User Council Representative 2 years. I’ve served on the Future ILS Taskforce 3 years and the ILS RFP writing groups, including the sub-group to write functional requirements for Acq/ Ser and ER, as well as the sub-group to edit the overall RFP.

My comments about Tech Consortia are focused on the ILS in the context of the thesis of this talk overall, that libraries are often better off dealing directly with vendors than dealing through a third party, regardless of the perceived “buying power” of that party. Or, again, AGENCY is more valuable than SCALE when it comes to library deal-making with vendors.
In the past, the Technology Consortium was admittedly indispensable.

In the client/server era, the Tech Consortium housed the servers for the Integrated Library System (ILS) serving the whole consortium. The ILS could thus be administered efficiently by the staff of just one office. That staff could also include functional experts on the various modules of the ILS, to provide value-added services, such as training, documentation, and customization.
However, the current generation of Integrated Library Systems are “cloud” systems. They are housed by our vendors and accessed over the internet. These vendors have also developed value-added services, such as community support. For example, the OCLC ILS Worldshare Management System has developed community tools for electronic resource knowledgebase management. I won’t discuss such vendor initiatives in any further detail here, but such offerings are interesting, exactly to the extent these offerings empower individual libraries and librarians in ways that consortia couldn’t or didn’t.

The point here is that libraries no longer need a central office to house the servers, and the case for consortial value-added services is diminishing.
Again, however, we must contend with this notion that consortial scale leads to better deals with vendors, or otherwise improves the efficiency of purchasing.

Instead of responding hastily to this notion, I’d like to take a little bit of time to think through the implications of consortial ILS purchasing.
The fact is that different librarians and different libraries will have different priorities when it comes to an ILS. Some libraries might want to minimize operational costs by choosing an ILS which emphasizes efficiency and streamlining. Some libraries might choose an ILS with many customization options and more flexibility, perhaps at the expense of efficiency. Or some libraries might prioritize certain functional areas over others, such as the user experience of resource discovery.

There will be many different such priorities.

In a consortium, however, there will be no way to accommodate all of those priorities. One ILS will be selected to serve all libraries and the needs of each library will have to be served, more or less, by that one ILS.

If an ILS largely matches the priorities of a given library, then we might say that the selected ILS is rational for that library, but if an ILS does not match a library’s needs, then that selection is irrational for that library.
In a consortium, numerous factors can limit the rationality of consortial ILS scoring from the perspective of any given library. I’ll mention 3:

1) different libraries might have different priorities, so it might not be possible to agree on priorities, which means that any given library might need to accept priorities that are not rational from their own perspective.

2) because of the need to accommodate differences among many libraries, especially if there are different kinds of libraries (2 years/ 4 years/ Grad Schools), there will be a tendency to develop a scoring framework with a bias toward feature richness (and against efficiency). In other words, there will be a tendency to list every possible function in the RFP and to reward points accordingly.

3) the consortial office has its own interests. The selection of the ILS is an existential decision for them. As such, they might put their own interests ahead of the libraries. One might even wonder whether some consortia might push for more complicated systems simply to preserve the necessity of their support services?
For the current crop of ILSs, there has been a tendency for consortia to follow the model of Orbis Cascade, a Pacific Northwestern consortium. Thus, my consortium, PALS, largely followed the scoring framework established by Orbis Cascade, with some differences. Actually, I have no idea how Orbis implemented scoring, but the PALS implementation of this model certainly decreased the rationality of ILS selection.

As you can see on these slides, the different functional areas were given a certain number of points …
...and those points were applied to long lists of functions.
This type of scoring framework tends to reward the system with the most features, whether those features are needed or not at any given library. Actually, such scoring frameworks can be very easily gamed by vendors. Imagine systems built to be feature-rich, regardless of how well those features actually work (see Ex Libris Verde for example).

Worse, this kind of scoring framework tends to make it hard to see the differences between systems. With lots of tiny pots of points merely to reward functionality for its own sake, it’s very difficult to see the systems clearly for what they are, in terms of either their strengths or weaknesses.
An individual library can resist the temptation of this kind of meaningless scoring. An individual library can establish priorities based on local needs and build the appropriate scoring framework based on those priorities. For example, if a library seeks to minimize processing and other operational costs, then efficiency can be prioritized. Simply build a two tier frame, first to check off all requisite functionalities, and second to apply points measuring how efficiently those functionalities work. Or there are countless other ways to build a scoring framework...

The point is that an individual library can make a more rational choice for itself than a consortium. Recalling the thesis of this presentation, then, we can see that agency is CRUCIAL to the library when it comes to the selection of an ILS, but the Technology Consortium, by its very nature, denies that agency.
Regardless of this observation, however, one might still wonder if consortial purchasing leads to better ILS pricing because of scale. I can’t provide a definitive answer because I don’t have access to enough pricing information. I suspect individual libraries can expect basically the same pricing for an ILS if they deal directly. In Minnesota, Macalester College abandoned their consortial ILS deal through the consortium CLIC in order to deal directly, while two private colleges recently left PALS, my own consortium, and I know of at least two more colleges likely to leave.

My own library has internally discussed the possibility of leaving PALS in order to deal directly for an ILS, but because we are a state university, our ILS funding is actually funneled through the consortium by the state. The problem is absurd in the extreme. The state will continue to fund the consortium, but the state only ever talks to the consortium, so the state really only gets feedback from the consortium about the necessity of the consortium...

In short, there doesn’t seem to be any way my library can escape the consortium, to assert our agency to make an ILS decision following from our own priorities. However, I suppose we can be a cautionary tale for others. The end.
But wait, what’s this?
Actually, my greatest concern about my library’s Technology Consortium isn’t our lack of agency in the ILS selection process. I’m sure we’ll make the best of our situation and get along as well as possible. After all, there are only 3 or 4 realistic options among the ILSs right now (or really, only 2).

My real concern has to do with the future of the consortial office itself. As I pointed out, the business case for the office is less and less convincing. So what’s the office going to do with itself?

In my view, it seems possible that the consortial office will become a zombie organization, of sorts, for several reasons:

1. The consortial office is figuratively feeding on the brains of our students already, to the extent the consortium works against my library’s priorities to serve students, and also to the extent state funding, which might go to library needs, gets wasted paying for a consortial office that is less and less necessary.
2. The consortium has actively made zombie noises about trying to cannibalize some functions of our CD Consortium, Minitex.
3. And worse, the consortial office might even try to cannibalize some of the functions of the libraries themselves – which could be alright if student needs and outcomes were the focus, and the consortial activity was library-led – but instead I worry that any consortial steps in this direction will be solely about the consortial office’s need to feed itself...

In other words, there seems to be something even scarier than suppression of agency involved in the shufflings and groans that have recently come from our consortial office... but make no mistake, this new thing, whatever it may be, has been enabled by our library’s lack of agency in the consortial relationship in the first place.
Thanks – Any Questions?

References
