

# CONSORTIA: WHAT MAKES A NEGOTIATING UNIT?

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*This paper describes the different types of academic consortia in the UK and USA. It considers the pros and cons and identifies the key characteristics for success now and in the future*

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## **Purchasing consortia in the UK**

I should stress that my focus is on the academic sector, partly because that is what I know best, but also because when I was searching the literature in preparation for this talk, I found that most of what was written about collective purchasing focussed on the needs and activities of academic and research libraries. This may reflect the fact that it is this sector which still has some of the largest catalogues, collections, and budgets, even though the latter are, as we all well know, increasingly inadequate to meet the many demands placed upon them.

In considering library purchasing in the UK, it seemed to me that there were three broad areas of activity worth looking at: Regional University Purchasing Groups, National Academic Groups, and Regional Library Groups.

## **Regional university purchasing groups**

The UK Academic Sector is currently divided into seven purchasing groups or areas. Most of these regional groups were set up in the early seventies and they have a broad remit, covering everything from mass spectrometers and other complex laboratory equipment, to photocopiers, catering and cleaning supplies, furniture and office stationery. They are managed by professional purchasing officers, and membership is at institutional level, i.e., it is the university, not the library, who is a member. These purchasing groups can have a wide and varied membership, for example the Southern Universities Purchasing Group (SUPC) has 29 full institutional members, plus four associate members, most of which are universities, although they also include some other higher educational institutions. The collective purchasing power of these regional purchasing groups is considerable, and they usually manage to negotiate very good discounts for their members.

Although many of the regional groups are now turning their attention to library expenditure, it remains true to say that until recently, libraries have not been at the top of their priority list. The fact that many are now looking very carefully at library expenditure to see whether they can achieve financial savings is in large part due to the pioneering activity of the SUPC, which set up framework agreements for member libraries' journal purchases in the late 1980s, and recently carried out major EC tendering exercises for both its books and periodicals supply.

### National academic groups

If we think of national purchasing initiatives in the HE sector, the group that springs most readily to mind is the Combined Higher Education Software Team (CHEST). Set up in 1988, CHEST acts as a focal point for the supply of software, data, information, training materials and other IT related products to the HE and FE sector. As far as libraries are concerned, one of its most notable successes, and there have been many, was the negotiation of electronic access to the ISI Citation Indexes via the BIDS service. This deal represented significant cost and space savings to libraries, as it enabled them to ditch their costly, multi-volume, print subscriptions to these important services. Because it represents the entire HE and FE sector, CHEST is in an extremely strong negotiating position, and is therefore able to negotiate far better deals for its member institutions than they could ever achieve for themselves. Although CHEST deals are negotiated at the Institutional level, the nature of the products and services it deals with inevitably means that the parts of the University it comes into most frequent contact with on a practical level, are the Library and Computing Services. Indeed, an additional benefit of working with CHEST has been that it has led to the development of much closer working relationships between Library and Computing Services, which in some cases, may not have existed before.

Another example of a national consortium is CURL, the Consortium of Research Libraries, which was formed in 1983 to bring together the

largest research based university libraries in the UK and Ireland. It is a different kind of national group to CHEST, in that membership is only open to libraries which are considered to have major research collections, and there are currently twenty full members. CURL aims to promote resource sharing, and foster collaboration for the mutual benefit of CURL libraries, and their users.

One of the ways in which it hopes to facilitate shared access to its collective resources is by means of a shared OPAC, thus making it easier for researchers to scan member libraries' holdings for material of interest. Inevitably, CURL is now turning its attention more explicitly to electronic resources, for example, by exploring the possibility of negotiating a group deal for access to electronic journal collections.

### Regional library groups

Moving down a layer, the third area of consortia activity I propose to consider is that of the regional library groups. These can be geographically very specific, for example, CALIM, the Consortium of Research Libraries in Manchester, which comprises the five academic libraries in Manchester (John Rylands, Manchester Metropolitan, Salford, UMIST and Manchester Business School). Alternatively, they can be rather broader in scope, like the NEYAL Group, whose membership is founded upon the 14 University Libraries in the North East and Yorkshire. The Chief Librarians of these institutions meet once a year to discuss issues of joint concern and interest, one of which is collaborative purchasing. In 1993, a small working party was set up, with myself as chairman, and we were charged with determining whether it was worthwhile NEYAL coming together as a purchasing unit, and if so, to recommend a strategy for achieving this.

In the course of our investigations, which included talking to SUPC about their collective purchasing activity, we realised that NEYAL membership was almost the same as that of the North Eastern Universities Purchasing Group (NEUPG), a sister group to the SUPC. NEUPG had not been active in the area of library

expenditure, although they were very supportive of our work, and we subsequently invited the three additional NEUPG members (Nottingham, Loughborough and Leicester) to join the NEYAL Consortium. The extended membership endorsed three year framework agreements with our two preferred suppliers, which delivered better terms and conditions than we had hitherto been able to secure individually. These framework agreements were very successful and at the beginning of this year, the group concluded that it was time to follow the SUPC lead and conduct a formal EC Tender for the supply of our periodicals. As part of the preparations for this tender exercise we looked around to see if there were any other academic libraries within the regional boundaries of NEUPG who might wish to join us, and we also received several approaches from other libraries who wanted to join in the NEYAL group. Thus by the time we went out to tender in February of this year, we had 22 member libraries, with a collective journal spend of circa £12m. We awarded our first formal tender in July and are now turning our attention to book supply.

It may seem as if there is very little to distinguish the Regional University Purchasing Groups, such as SUPC, from the Regional Library Groups, like CALIM, and NEYAL, since both are working within the academic library sector, to achieve much the same objectives. The principal difference is that the Regional Purchasing Groups are led by Purchasing Officers, working with their Librarians, whereas in the Regional Library Groups, it is the Librarians who are taking the leading role, in consultation with, and supported by, their Purchasing Officers.

### **The importance of these groups**

We have looked, albeit briefly, at some of the different types of consortia that are currently active within the UK academic sector, and I'd now like to consider why we feel compelled to join these groups. Top of the list has to be the pursuit of value for money. The arguments about the inadequacies of library budgets to cope with the twin torments of rampant inflation and incessant demand have been so

often reiterated that they have become commonplace. Nevertheless, it is true that for a variety of reasons, we set great store by achieving best value for money, and will therefore look favourably on any negotiations which will deliver the same or better resources for less financial outlay.

Another key argument in support of collective purchasing is that there is strength in numbers. Regional library consortia such as NEYAL, or larger regional groups such as SUPC, exert considerable pressure on the market place because their collective turnover represents a significant element of the academic library sector business, and this has to enhance their negotiating power. National groups such as CHEST have even greater bargaining power. Whilst it is reassuring from the library point of view to think that our collective voice gives us a certain degree of clout, it is worth remembering that with power comes responsibility. We all want to use our purchasing power to secure the best deals for our members, but we also wish to retain choice, and there is a very real danger that consortia activity can ultimately limit choice, by squeezing those who fail to secure preferred supplier status out of the marketplace altogether.

### **Resource sharing**

The concept of resource sharing has been on our collective agendas for many years now. It is something that most libraries do almost instinctively, but it has grown in importance as budgets have been squeezed. Traditional examples of resource sharing, such as shared catalogues, union lists of journals, and reciprocal access for users, are now being joined by collaborative acquisition policies, including negotiations on networking licences for databases.

Pressure to conform might not seem an obvious reason to participate in consortia activity, but I believe it is an important one. There is so much consortia activity going on at present, it would be quite difficult for any library to remain entirely aloof from it all, for fear of missing out on something. It is also true to say that several libraries have been encouraged, or in some cases, compelled, to

participate in consortia activity by their Finance or Purchasing Offices.

### Purchasing consortia in the USA

Before I move on to summarise the pros and cons of consortia membership, I would like to turn very briefly to the US scene. I know there are some US delegates here today who can amplify or correct what I am saying, and I look forward to hearing their comments at the end of the session, but here are a few notable examples of US consortia activity.

#### OCLC

Perhaps the most obvious example to begin with is OCLC - the Online Computer Library Centre, based in Dublin, Ohio, which currently has over 19,000 member libraries drawn from almost every sector of the library world, with particular emphasis on the academic and research sector around the world. OCLC specialises in computerised library services and research, and arguably its most significant asset is its Online Union Catalogue, which is the world's largest bibliographic database. It also offers access to other bibliographic and abstracting data via its FirstSearch Service.

#### GALILEO

The other instances of US consortia activity that I have selected, are essentially statewide initiatives<sup>1</sup>, for example, GALILEO - the Georgia Library Learning online, which is offered by the 34 publicly supported colleges and universities in the State of Georgia. GALILEO offers full text access to core undergraduate journals from a common site on the web. It also provides access to other services such as OCLC's FirstSearch, and the full text of journals published by Academic press.

#### Louisiana Library Network

The Louisiana Library Network, which embraces 17 state-funded academic libraries, plus a public library from each parish, and a selection of school libraries, also gives priority to electronic services, including Internet access, online library catalogues, abstracting databases, and full text journal articles.

#### Ohiolink

Another high profile example of consortia activity in the US is of course Ohiolink - which comprises all the state supported Universities, plus two private Universities and the Ohio State Library. All of these libraries contribute to a centralised union catalogue, and a courier services facilitates inter library lending. Like the other examples I mentioned, OHIOLINK also provides group access to a variety of databases.

#### Texshare

Similarly, Texshare, the consortium of 52 publically funded university libraries in the State of Texas has at its core, joint access to a common set of electronic resources, and aims to expedite the sharing of bibliographic resources.

### Current situation in the US

So what can we conclude from these examples? It is undoubtedly true that US libraries are far more active on the consortia front than we are! The current edition of the *American Libraries Directory*<sup>2</sup> lists almost 500 different networks, consortia and other co-operative organisations. One of the principal reasons for US Libraries forming or joining consortia in the first instance seems to have been to provide shared access to print resources, and there is evidence of much more cross-sectoral activity than in the UK, i.e., collaborative work between academic, public and school sectors, although inevitably, the academic libraries have the largest role to play.

Current activity seems to be focussing very much on shared access to electronic resources, including both abstracting databases, and full text online journals. Perhaps because of the sheer scale of consortia activity in the US, the concept of belonging to more than one seems well-established, with libraries adopting a 'pick and mix' approach to the services on offer.

### Major benefits and disbenefits

So having looked briefly at some examples of consortia activity in the UK and US, I would now like to summarise what I consider to be the major benefits and disbenefits associated with this type of activity.

### Benefits

If we look first at the benefits, the potential for financial savings are going to be top of most people's list, although I think it is worth stressing that depending on the product or service concerned, the potential for savings may not be huge. This specifically applies to the purchase of journals, although there appears to be greater potential for savings to be made on electronic resources and book purchasing.

The opportunity to share experience and ideas is also a positive benefit, as other libraries in the consortium may already have come up with a solution to the problem you are experiencing, or it may simply be that by talking about problems with colleagues in other institutions helps to generate new ideas. There is, as I mentioned earlier, strength in numbers, so that may also be seen as a benefit when it comes to discussing terms and conditions of supply.

Furthermore, consortia membership can help librarians to acquire a wider world view, by providing them with the scope to assess their own library's operations within the context of a larger group. Similarly, consortia work provides excellent opportunities for continuing professional development, which is increasingly important when there is perhaps less job mobility within the sector than was previously the case. I know that I have derived considerable pleasure from the opportunities my NEYAL work has afforded me to work with colleagues from other libraries, and I feel that the experience has also helped to stretch and develop my management skills.

Finally, by working together, we do in many ways lighten the load, and share the risks. For example, when there are several pairs of eyes assessing a tender specification, there is perhaps less likelihood that you will miss the crucial clause that requires further investigation or explanation.

### Disbenefits

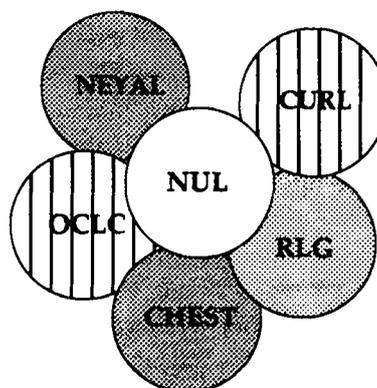
Of course as we all know, everything has its downside, and there are several factors which can be seen as disbenefits or deterrents to consortia activity.

Not the least of these is the fear that the needs or wishes of the individual institution become subsumed in the objectives of the greater whole. At its worst this can be seen as a loss of autonomy or control. There is also a danger that consortia activity adds in another layer of bureaucracy which can impede the decision making process. The risk of this happening is likely to increase as the size of the consortium grows, and decision-making processes must be designed to limit the potential for unnecessary delay.

Given that most consortia deals require you to make a commitment for between 3-5 years, there may be a legitimate fear that this will prevent you from following up any new or better opportunities which may arise during the lifetime of the agreement. Careful wording of contracts can help to minimise these fears, for example, by including a clause which retains the option for members to move across from a regional to a national deal, if such arises during the lifetime of the agreement, but nevertheless, some doubts still remain. The prospect of incurring additional workload is also a very real cause for concern, and one of which I have direct experience. Fortunately, our consortium recognised the need to share this burden, and we now have a part-time clerical assistant, to help with the administration, the cost of which is shared between the membership.

### Which consortia?

Last but by no means least, there is the question of choice. Although we have very few active consortia in comparison to the US, there are an increasing number to choose from, and indeed most of us are members of more than one, as this simple diagram illustrates:



Newcastle University Library is a member of the NEYAL consortium, through which it negotiates for its periodicals supply. We are also members of OCLC, from whom we have taken catalogue records for many years, and we subscribe to many of the FirstSearch databases. We also subscribe to several of the CHEST databases, and have recently joined both CURL and RLG (The Research Libraries Group.) Whilst at the moment it is fairly clear what we get from each consortium, it would be very easy to blur the boundaries, and the challenges arise when we find ourselves torn between the terms offered by several different consortia for the same goods and services. This is already beginning to happen on a small scale, and the problems can only increase.

### Successful negotiating

If we now try start drawing some of these strands together to identify the key features of a successful negotiating unit, I think that it is absolutely essential that at the outset of any consortia activity, you have a clear purpose and shared vision. If you do not want the same things from the consortium, it is almost bound to fail. It is also important that all members of the consortium are adequately funded. It has been rightly said that "Shared poverty does not create improved library services"<sup>3</sup>, and although some partners will always be bigger and stronger than others, everyone should contribute their fair share.

Another prerequisite of successful consortia activity is an effective management structure, and the bigger your negotiating unit is, the more important this becomes, not only for your members, but also the vendors with whom you are negotiating. Good communication is one of the factors which can contribute to effective management, and a common IT interface can help communication, particularly when your members are geographically distant.

Commitment and team spirit are also key attributes. If only one person is out of line with what the others are striving to achieve, it can blight the entire enterprise. You also have to be flexible. It is of course important to hold out for the things you value, but everyone must be prepared to compromise a little at the edges if

group values are to succeed. It is a very fine balancing act, but the needs of individual libraries can generally be accommodated within the group objectives, provided you are prepared to negotiate.

I would also suggest that it is vital to the success of the enterprise that the group's objectives are realistic in scope, unambiguous in expression and measurable in terms of performance, whether they be the level of financial savings you wish to make, or the timescales you have set for completing specific activities.

### Conclusions

In conclusion, there is clearly a great deal of consortia activity at present, on a variety of fronts, which confirms how timely this seminar is! Consortia activity is likely to expand in future, with greater emphasis on electronic resources, and increased competition between consortia as they all begin to focus their attention on similar areas, such as full text electronic journals. Although there is evidently going to be competition between consortia, there is also potential for collaboration, and we need to ensure that appropriate channels are open for dialogue. In particular, consortia ought to be able to use their collective purchasing power to secure more flexible and user friendly licencing agreements, with simplified logging or password control, and definitions of 'site' and 'users' which more readily accommodate the often complex membership base of academic libraries. And to end on a slightly frivolous note, it occurs to me that with all this growth in consortia activity, what the beleaguered librarian will need most, is a Good Consortia Guide to help us decide which ones are best for us!

### References

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