

HEFCE Shared Services SCONUL Feasibility Study

An Introduction – 19 May 2010

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The Shared Services Study

The study was tasked to investigate the Library Management Systems landscape within UK Higher Education, with the aim of identifying

- what, if any, opportunities exist to develop a shared service response (possibly Open Source) within the current LMS landscape
- whether there is a viable business case and delivery model to support any such opportunities

LMS Landscape

- LMS Cost
 - High value in terms of library budgets – cost estimated at £54m p.a. across the sector divided between systems and staff
 - Low value in terms of supplier return on investment
 - Involving duplicated costs of ownership (infrastructure, technical systems administration) and operation (e.g. local OPACs)
 - Incurring relatively high costs of migration on account of data
- LMS Fit
 - LMS are modular but not architected for disaggregation and only providing limited open interfaces
 - New modules are typically complex to implement, not helped by the paradigm shifts from print to electronic and from local to web
 - The products are designed around institutional processes for managing print – acquisition, accession, circulation, reservation
 - Electronic materials management and access to global resources have been incrementally appended to these systems

The Shared Services Survey

- 83 institutional responses (May 2009)
- Minimal differences based on institution focus (Research, Teaching, Specialist), Service type (e.g. Converged or not) or Library Management System.
- Over 60% of the respondents are involved in or planning some form of shared services activity.
- Whilst 89% stated they were open to 'any arrangement that delivers benefits', a significant number supported a governance mechanism operated by 'a sector agency' in the style of JANET (UK).
- There was little appetite for an outside operator (17%) or even a single HEI (35%) leading and recruiting partners.

The Survey

Motivations

- The strongest focus is on adopting digital solutions and electronic content to reduce physical holdings and therefore space (85%)
- Whilst 90% see reducing cost as an immediate high/medium priority, there is more interest in repositioning human resources (82%) than reduction (50%)
- High cost benefits are principally linked to content licensing (69%) and physical space savings (43%)
- Possible savings are linked to management time (29%) and cataloguing (29%)

Solutions

- Greater interest in LMS functions delivered through external shared services (80%) than by other local institutional systems (52%),
- However, developing the internal positioning of the library service is a high priority intangible gain (84%)
- Leveraging larger (web) scale services is seen by 73% as a high/medium 3-5 year priority but only an immediate priority for 46%; this fits with the high priority interest (84%) in enhancing flexibility and agility for developing electronic services
- Relatively high level of readiness to consider Open Source software (30% with a further 45% neutral)

The Survey

Responses identified a distinct group of systems functions & human operations as candidates for shared services:

- Principal interest is clearly focused around e-resource licensing and management and general cataloguing (all scoring 84% or greater interest)
- Services that would facilitate more efficient and value added resource discovery fell in to the next group with over 50% interest
 - OPAC, search / locate, ILL
 - Open Data services
 - Support functions such as forums and help desk
- Functions involving individual user data attracted least interest, though this may be motivated by uncertainties regarding security and DPA obligations

Licensing & ERM Core

These opportunities should not be considered in isolation from the licensing of electronic content.

- The significance of electronic resources is set out in the RIN e-Journals report (May 2009), which examines the £79m pa annual investment
- The majority of purchasing and management arrangements are not optimised for a large scale 'common interest' community - i.e. UK HE (compare India and Germany)
- Respondents to the Shared Services survey indicated
 - 92% interest in a shared service undertaking e-Journals licensing
 - 92% interest in a shared service undertaking e-Books licensing
 - 84% interest in a shared system for Electronic Resource Management
 - 77% interest in a shared service undertaking ERM
- The combination of these opportunities is the most significant indicator:
 - 77% interest in ERM, Journals licensing and e-Books licensing
 - 90% Interest in e-Journals or e-Books licensing
 - 77% Interest in e-Journals and ERM

The Survey – Options Arising

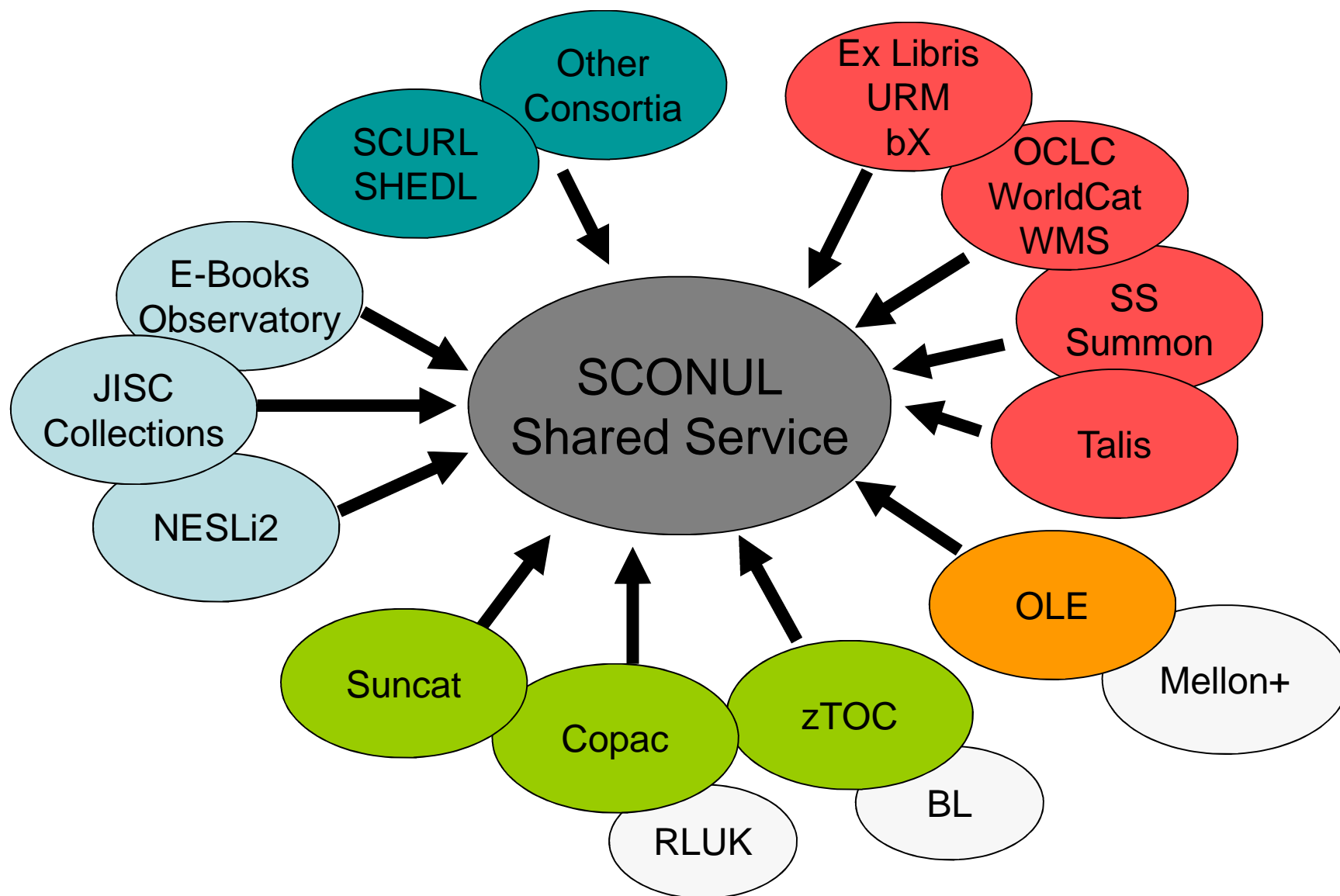
At the highest level interest may be divided between three shared services 'options' which can be separately defined but which are in no sense mutually exclusive:

- **The licensing option** – economies and efficiencies through shared procurement of e-journals and e-books (both 97%)
- **The shared systems (software functions) option** – seen as applicable to
 - management and disclosure / discovery of electronic resources
 - all types of metadata (catalogue records)
 - potentially the platform for large scale services on 3-5 year horizon
- **The shared operations option** – representing more optimised use of human resources
 - especially cataloguing (90% interest), electronic resource management (76%), digital preservation (78%)
 - Help Desk (56%)
 - could also involve consolidation of physical assets

Green Field Opportunities

- Electronic Resource Management (ERM)
 - Low levels of HEI adoption & patchy implementation
 - Expensive to implement and manage; high level staffing
 - Performing potentially national activities at a local level
 - Poorly conceived – hence the Ex Libris URM framework
- Electronic Content Search & Location
 - Google is increasingly preferred as a starting point for searches
 - Current services do not offer an integral end to end experience
 - Systems interoperation for locating ‘appropriate copy’ is fragile
- Recommender Services – a spin-off opportunity
 - Functionality not supported by LMS
 - Context-rich recommendation within trusted community
 - User activity and attention data best aggregated at national level

Considerations beyond the institution



Seven Options

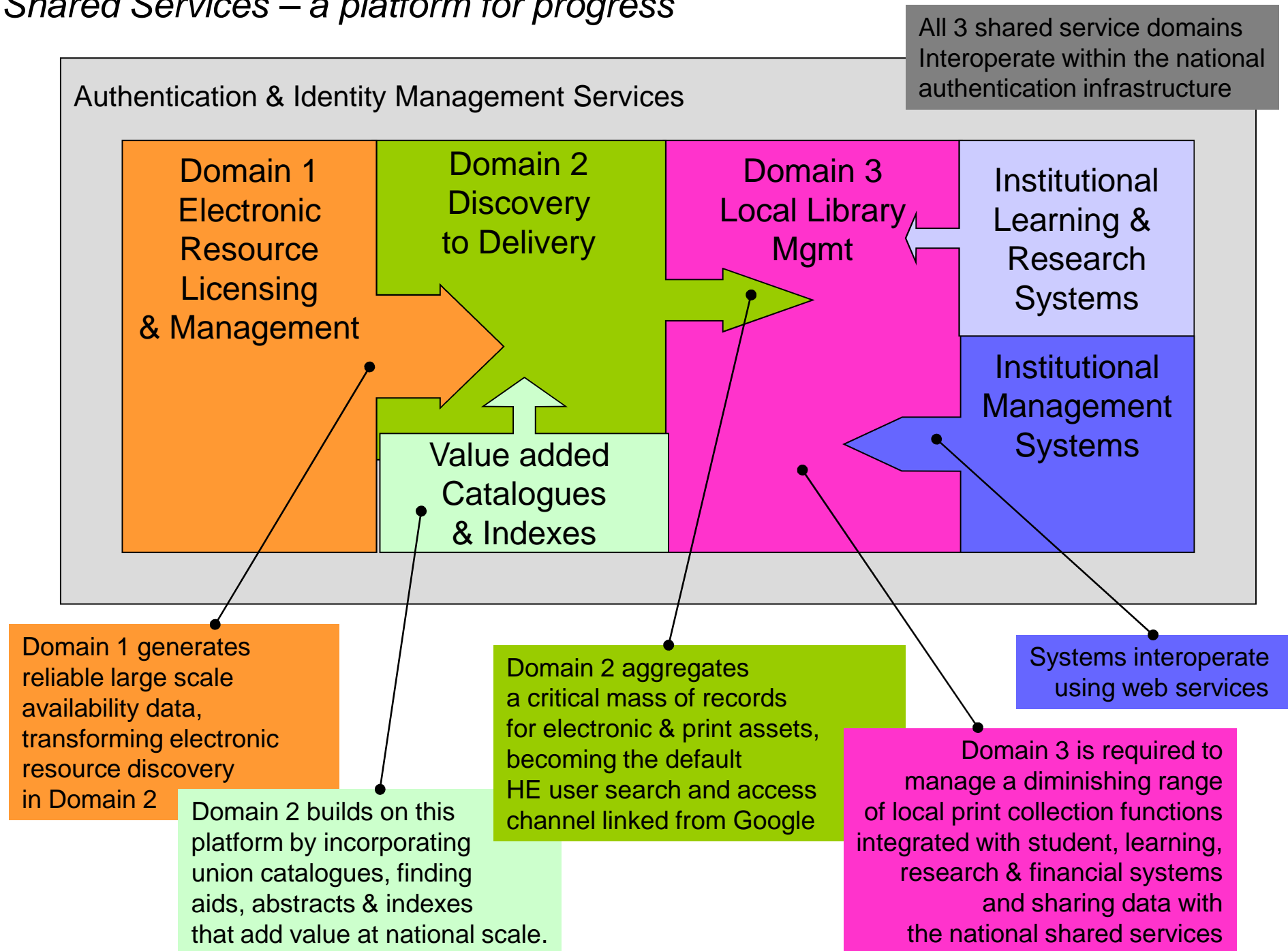
1. 'Do nothing'
 2. 'Advisory Service'
 3. 'LMS Software as a Service (SaaS)'
 4. 'Search & Locate Service'
-
1. 'e-Content Licensing Scheme with ERM System'
 2. 'e-Content Licensing Scheme with Resource Management & Services Platform'
 3. 'e-Content Licensing Scheme integrated with a total Library Management & Services Platform'

July 2009 - Options 5 > 7 agreed as the 'area of focus.'

Table 7.1: Options Appraisal

Option	Direct Financial Benefits	Non-Financial Benefits	Whole Life Costs Benefit	Timescale Impact	Score	Risk
1 Do Nothing	Zero	Zero	Zero	High	3	High
2 Advisory Service	Zero	Low	High	High	7	Low
3 Discovery to Delivery (D2D)	Zero	Medium	Low	Medium	5	Medium
4 LMS Software as a Service (SaaS)	Medium	Medium	Medium	Low	7	Medium
5 e-content licensing with ERM platform	High	Medium	High	Medium	10	Medium
6 e-content licensing with ERM & D2D platform	High	High	High	Medium	11	Medium
7 e-content licensing with ERM, D2D & LMS platform	Excellent	Excellent	High	Medium	13	High

Shared Services – a platform for progress



Functions by Domain

	Shared Service Domain		
Acquire Assets	1	2	3
e-Journals Licensing	Yes		
e-Books Licensing	Yes		
Abstracts, Indexes & TOCs Licensing	Yes		
Print Journals Acquisition			Yes
Monographs Acquisition			Yes
Manage Assets			
Electronic Resource Management	Yes		
Electronic Resource Cataloguing	Yes		
Electronic Resource TOCs	Yes		
Local Digital Content Management			Yes
Local Collection Cataloguing			Yes
Reading Lists			Yes
User Services			
e-Content Search, Locate & Deliver		Yes	
Full Catalogue Search & Locate		Yes	
Electronic Full Text Access		Yes	
Recommender Services		Yes	
Circulation			Yes
Inter-Library Loans			Yes
User Records			Yes

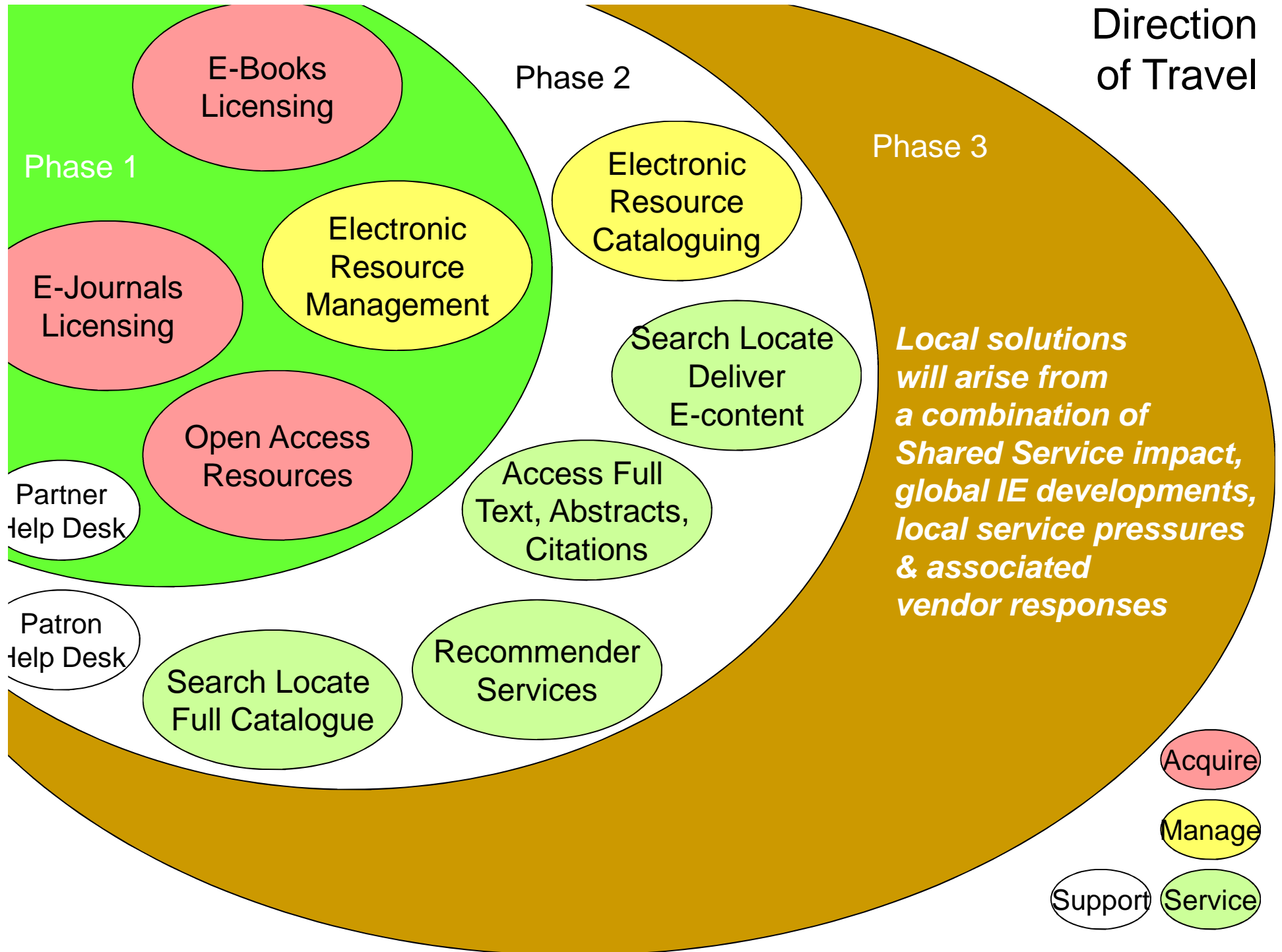
Content

Physical Assets	Digital Assets	Metadata	IM
Book Stock	ERM	Core Cataloguing	Management Information
Purchasing	e-Journals Licensing	Local Cataloguing	
Accession	e-Books Licensing	Reading Lists	
	Other Digital Content	Abstracts	
	Knowledge Base	Indexes-A-Z, TOC	
	DRM	Citations	
	Digital Preservation		
		Open Data Services	

Services

User Data	Transacts
User Records	Search Locate
Authent-ication	Circulation
User Profile	Request
User Activity	Deliver
User Contribution	Local OPAC
Alerts	Print Services
Forums	
Help Desk	

Direction
of Travel



Shared Operation

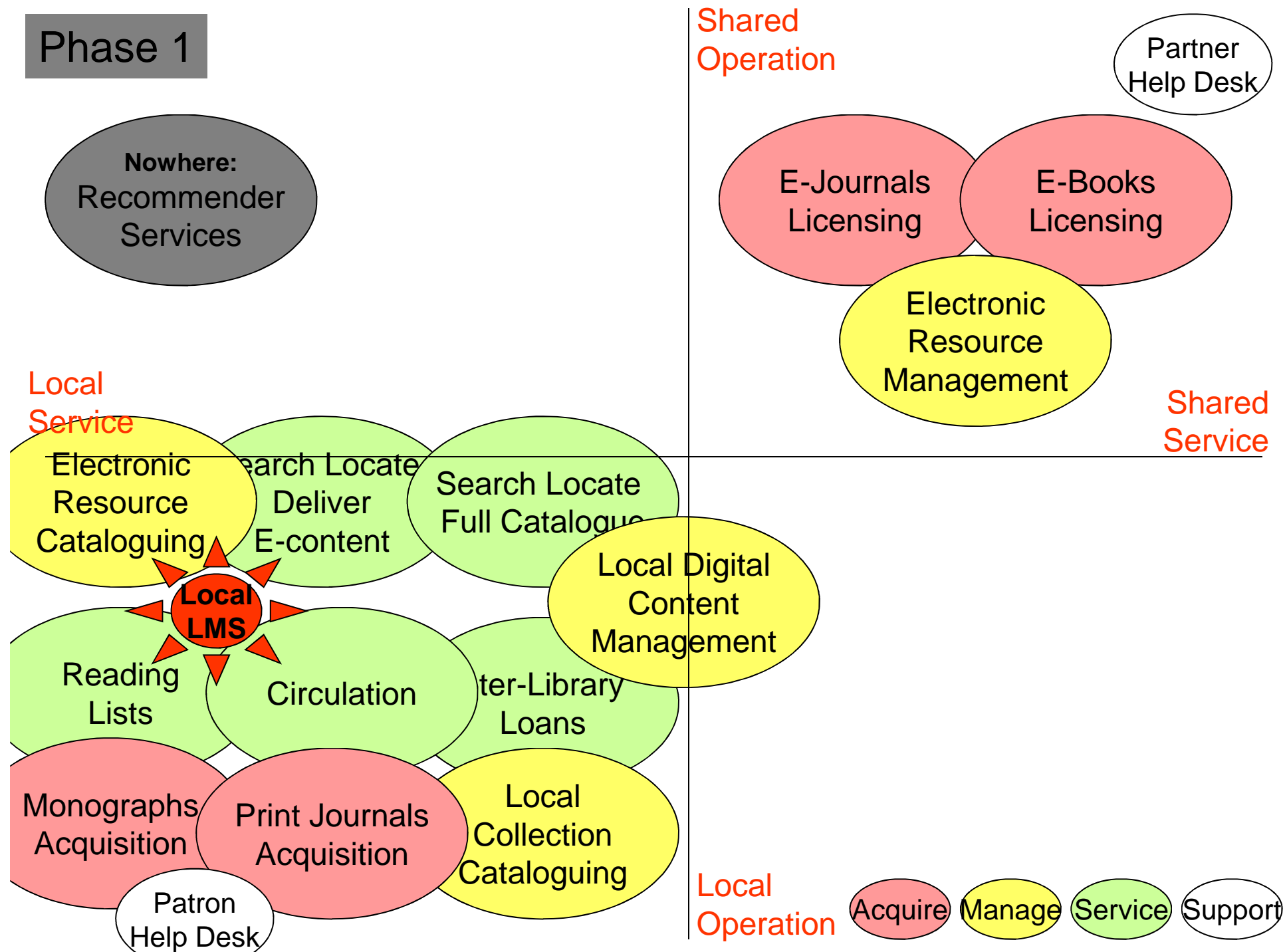


Local
System

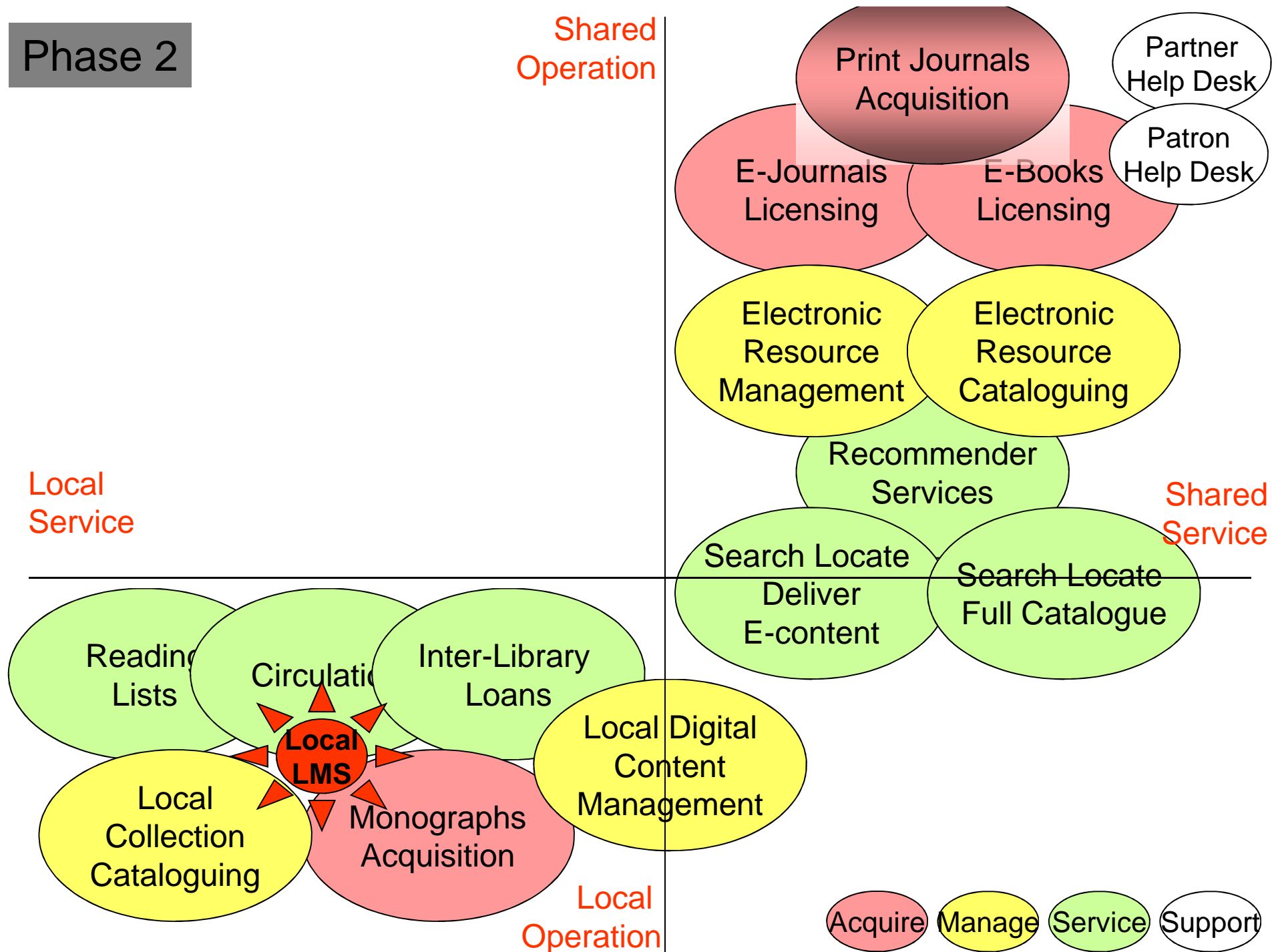
Shared
System

Local Operation

Phase 1



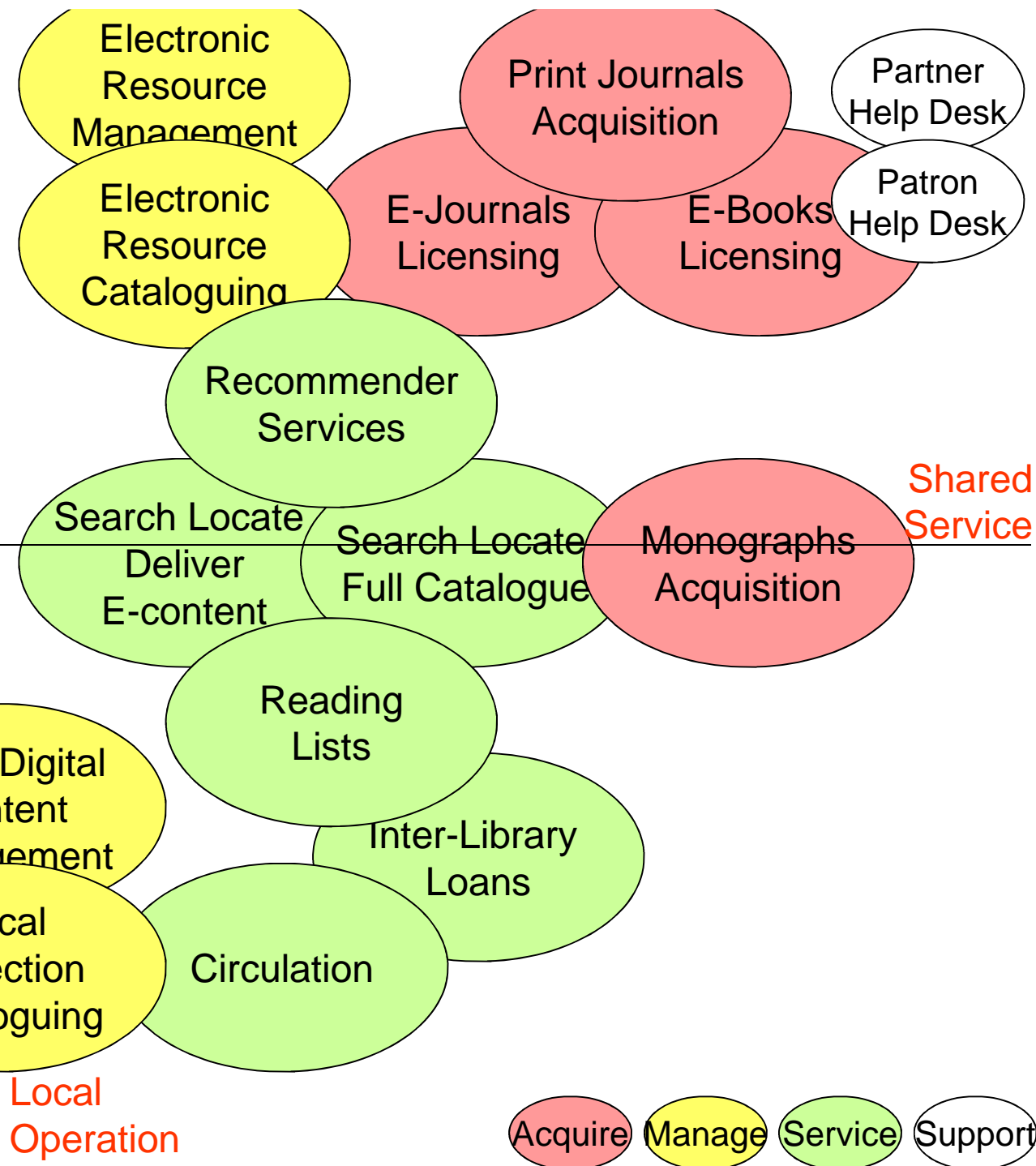
Phase 2



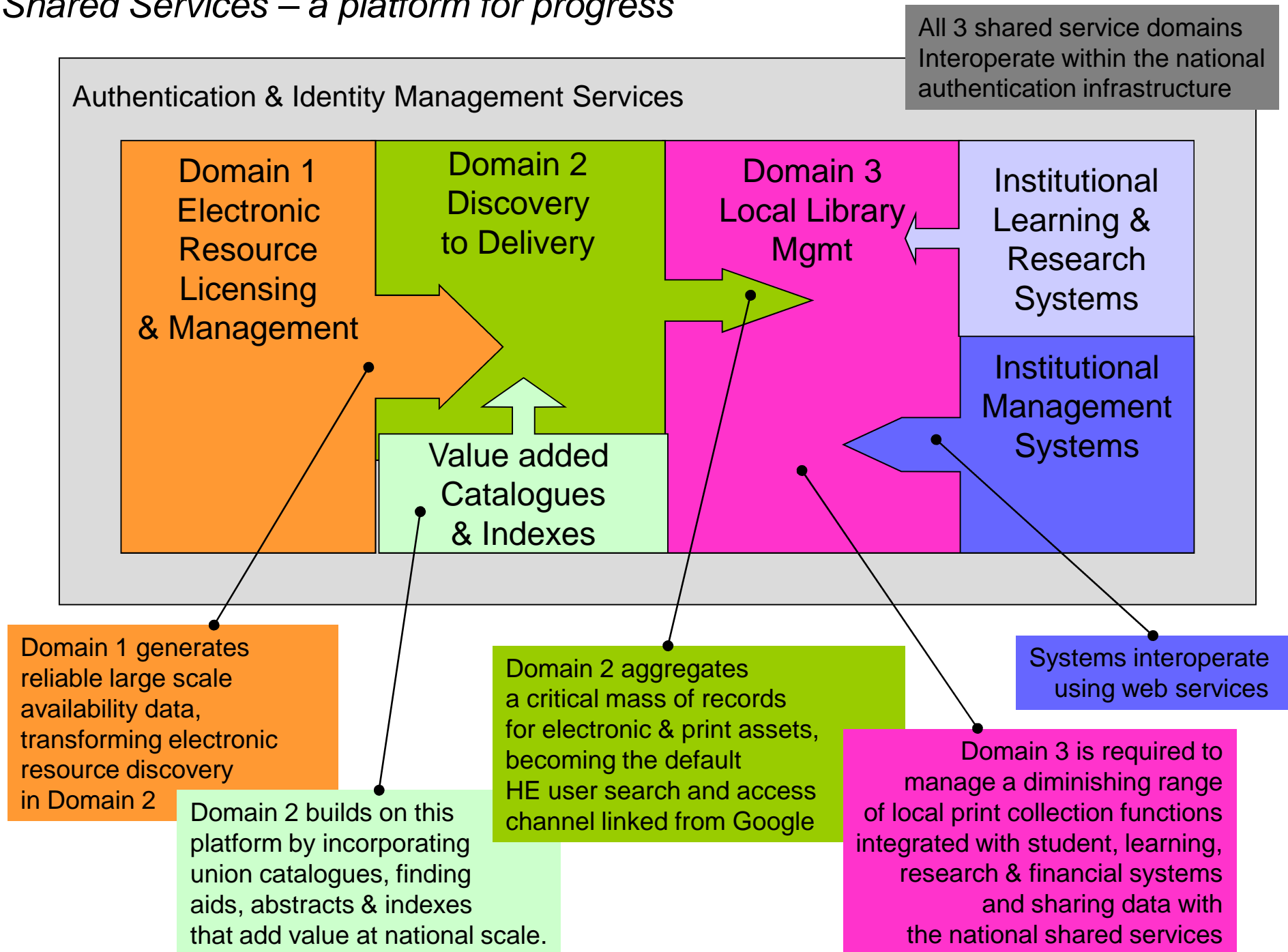
Phase 3

Shared
Operation

Local
Service



Shared Services – a platform for progress



What will success look like?

- Benefits
 - Cashable savings
 - Service benefits for libraries and their users
 - Wider resource access
 - Impact on behaviour of researchers, lecturers, students
- Spin offs
 - Supply side response
 - Inclusion of wider collections
 - Motivating innovation and contribution
- Take up
 - Coverage
 - Unit costs of access
 - Sustainability
- Vehicle
 - Business minded
 - Reputation
 - Partnership integration

Benefits	Domain1	Domain2	Domain3	UK Sector	HE Institution	Researcher	Student	Cash	Non-cash
1) ERM staffing costs	Y				Y			Y	
2) ERM licence costs	Y				Y			Y	
3) Content procurement costs	Y				Y			Y	
4) Service Desk costs	Y	Y	Y	Y	Y			Y	
5) Cataloguing costs	Y		Y	Y	Y			Y	
6) Componentised OS LMS choice			Y		Y			Y	Y
7) Ease of access	Y	Y		Y		Y	Y	[y]	Y
8) Efficiency of workflows		Y		Y		Y	Y	[y]	Y
9) Wider availability of assets	Y			Y	Y	Y	Y	[y]	Y
10) Discoverability of assets		Y		Y		Y	Y	[y]	Y
11) Reliability of data	Y		Y			Y	Y		Y
12) Quality of rights advice	Y				Y	Y	Y		Y
13) Recommendation services		Y			Y	Y	Y	[y]	Y
14) Service simplification & focus	Y	Y	Y		Y	Y	Y	[y]	Y
15) Deeper Business Intelligence	Y	Y			Y			[y]	Y
16) Community source partnership	Y	Y	Y	Y	Y			[y]	Y
17) Platform for enhancement*	Y	Y	Y	Y	Y				Y
18) International differentiation	Y	Y		Y	Y				Y
Total 'benefits' per category	13	10	7	9	14	8	8	14	13

Right Time, Right Place?

- What has changed to suggest buy in and success for ideas that have not previously gained critical mass in the UK?
- Is the national licensing and management of electronic resources a system-wide opportunity, benefitting all types of HEIs?
- Does the opportunity to consolidate 'national' Discovery to Delivery (D2D) services for monographs & journals ring true in a way that UKNUC did not?
- Can the challenges of the new local LMS footprint (Domain 3) be addressed through developing reference implementations?

Validation



Bournemouth - East London – Edinburgh – Huddersfield - Northumbria
Southampton – Stirling – Warwick – Westminster - Wolverhampton



Validation



Edina, Mimas, KOLE, RDTF, RLUK, SCONUL, SHEDL

ERM Survey

50 institutions responded (October 2009)

- 90% agree or strongly agree that much ERM work is repeated unnecessarily across institutions;
- 81% of respondents agree or strongly agree that the complexity of ERM requires high level personnel;
- 88% agree or strongly agree that 'ERM linked to licensing at a national level would be liberating';
- 76% agree or strongly agree that a national ERM would open the way for effective national resource discovery;
- 27 respondents indicated that they currently use an ERM system and of these 42% use a vendor provided system;
- 47% agreed or strongly agreed little about ERM is unique to an institution - other than costs.

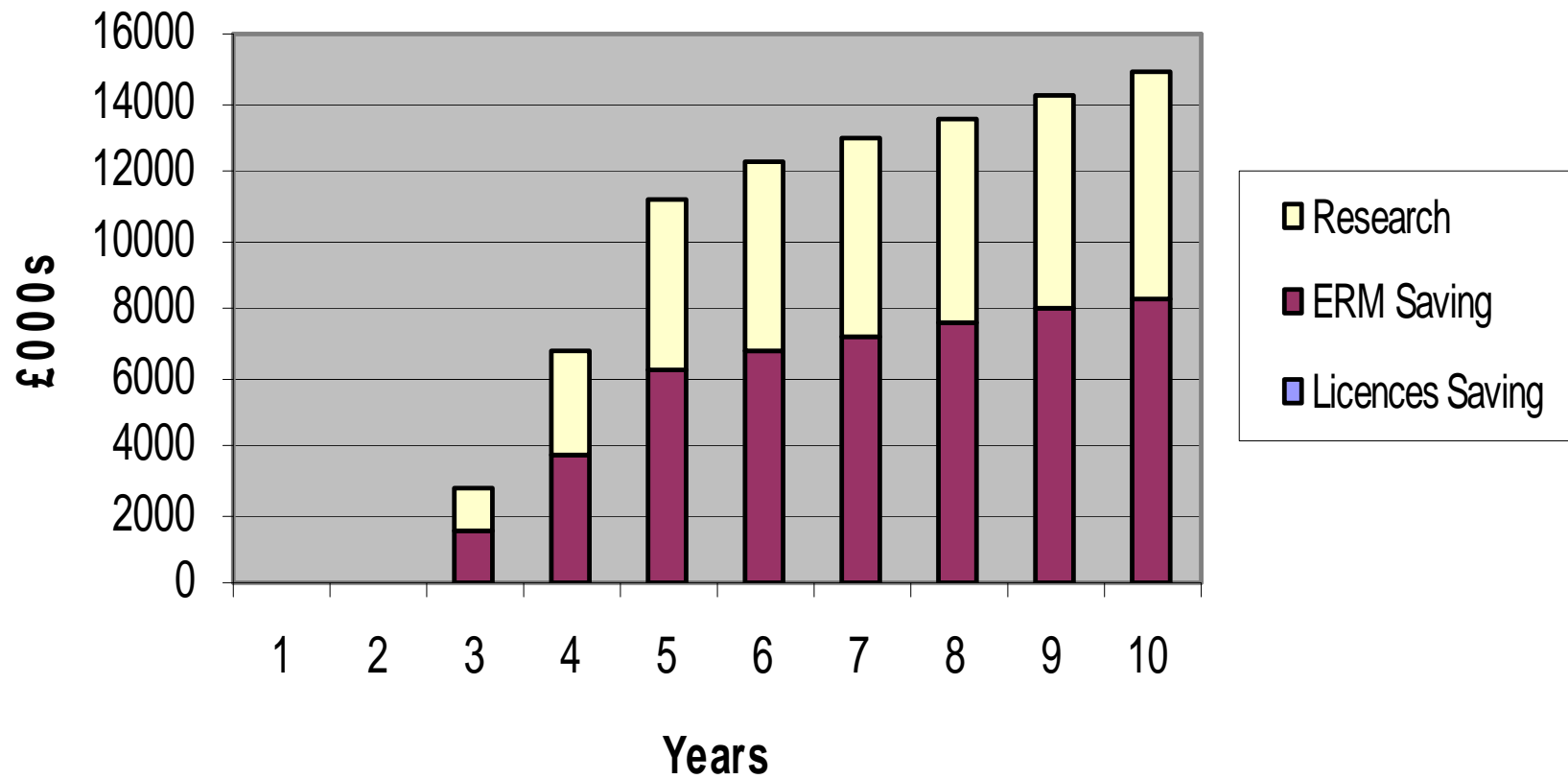
Target Levels of Take Up

Service	Basis of Service	After 2 yrs	After 3 yrs	After 4 yrs	After 5 yrs
Domain 1 – Licensing	National deals – Charges on sliding scale but no margin	130	140	140	140
Domain 1 – Electronic Resource Management	Site contracts – SaaS with data management	8	20	50	82
Domain 2 – Discovery to Delivery Services	Open to all – No revenue	5	60	110	140
Domain 3 – Local Library Management	Site implementations – SaaS or local	3	6	10	18

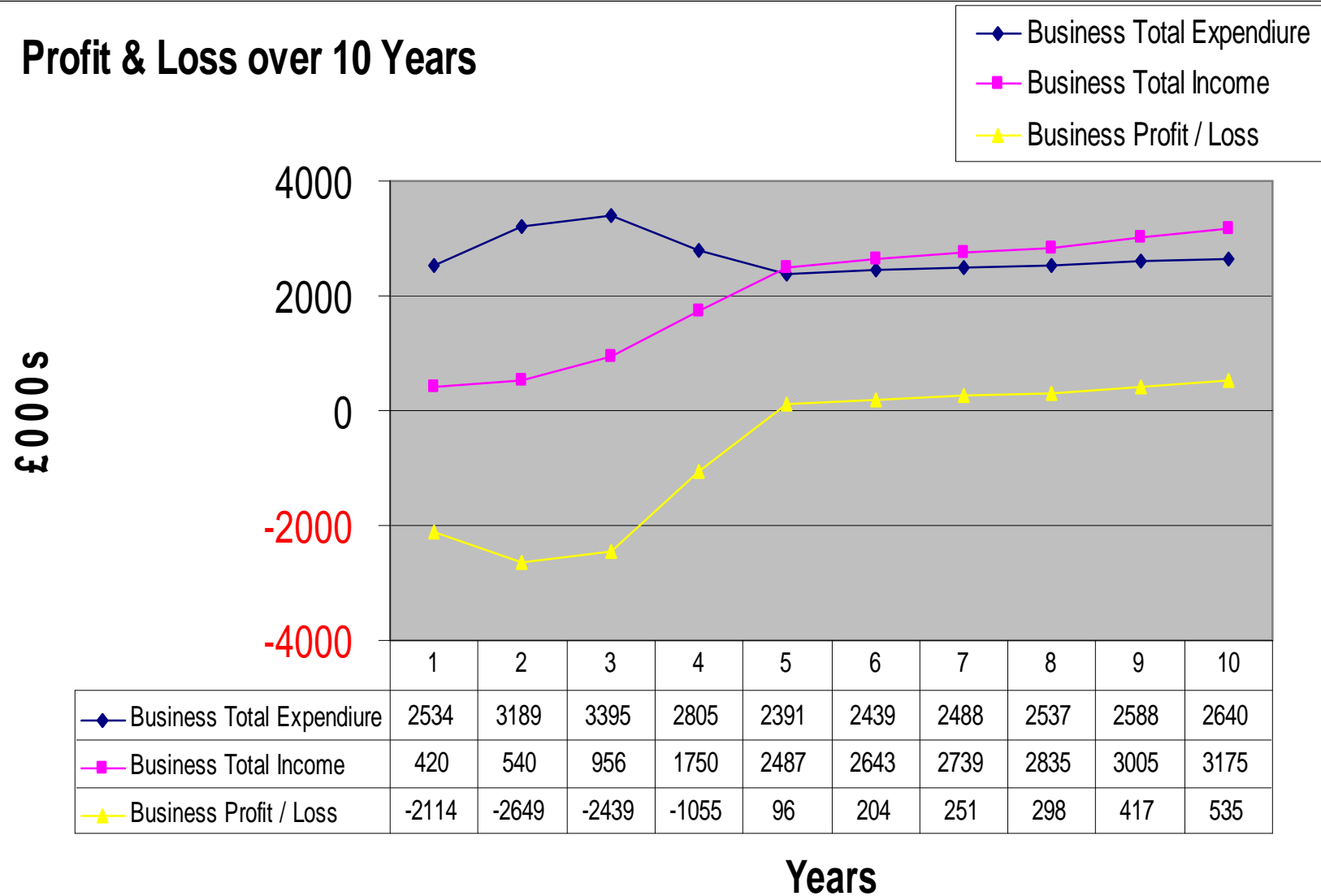
HEFCE Savings Rationale

- The Shared Services plan projects £88.4m savings over 10 years
- A more aggressive scenario projects £148.5m savings
- In addition, the service is geared to deliver improved value estimated at £59m from electronic licensing.
- The business case for savings is built around a portfolio of three key elements:
 - Electronic resource management
 - Licensing and utilisation of electronic resources
 - Efficiencies in UK research activity
- The strength of this savings portfolio lies in combining a spread of cashable savings (ERM), tangible time efficiencies (Research) and increased value (licensing). These elements share mutual synergies, directly derived from the nature of the proposed service.

Annual Savings Profile

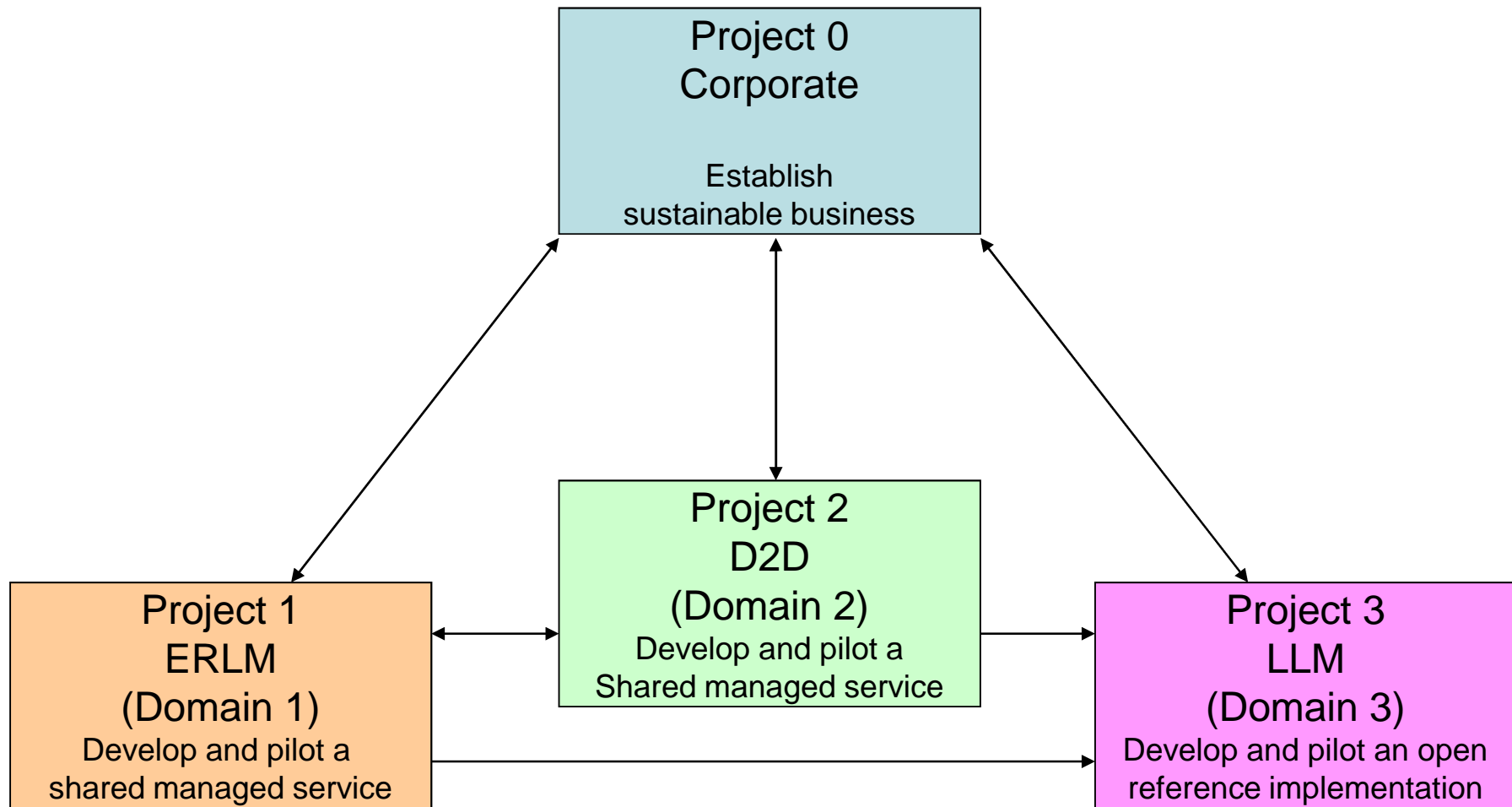


Profit & Loss over 10 Years

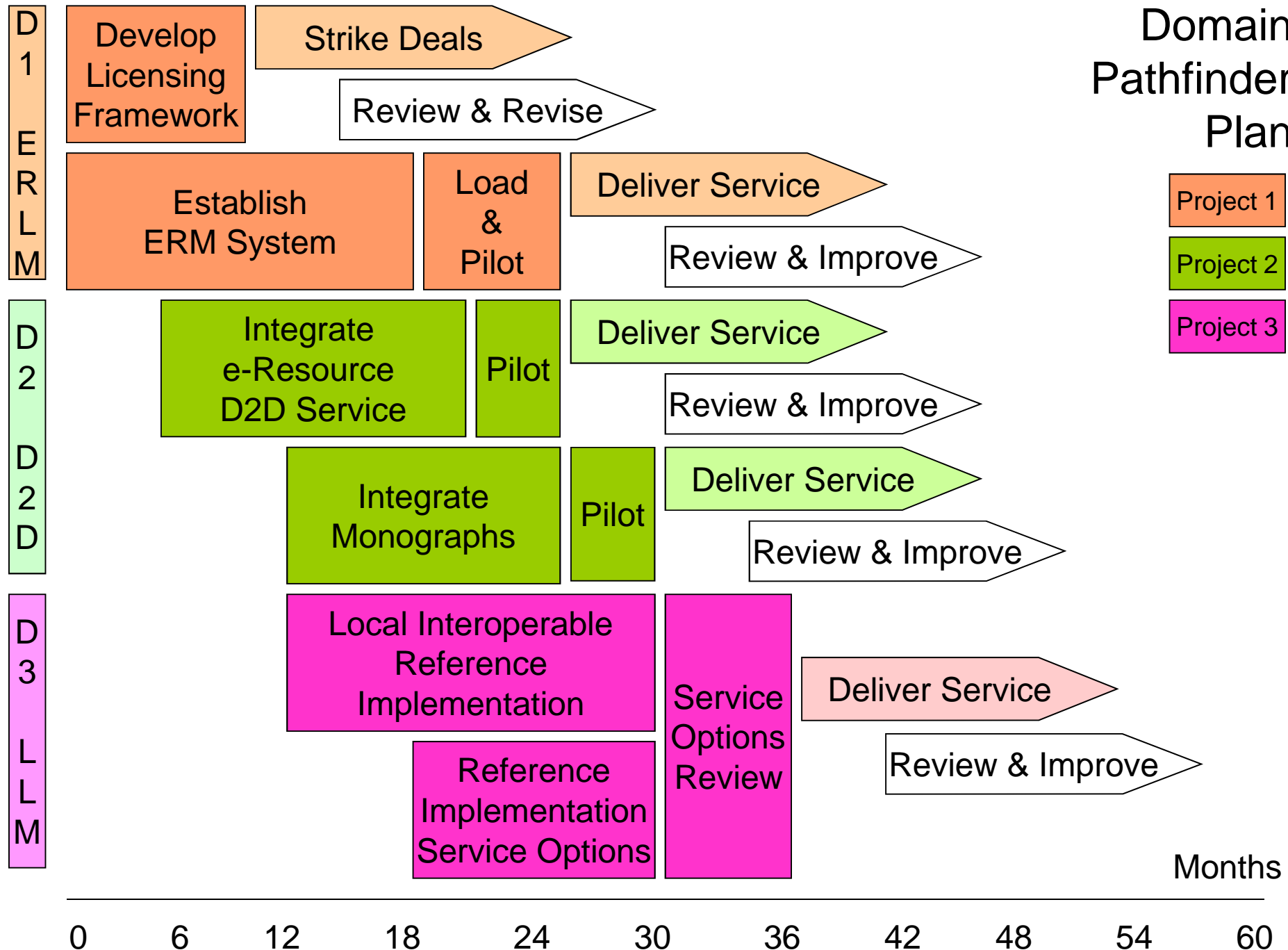


Shared Services Pathfinder Programme

Project Structure



Domain Pathfinder Plan



Shared Services – a platform for progress

