

Executive Summary

Universities, libraries and cultural heritage institutions are creating a vast array of digital resources – virtual collections, databases and other online content – driven by the goals of sharing their holdings more broadly, furthering education and research opportunities, engaging with the public and extending their influence beyond their physical space. The institutions may fund the creation of these resources themselves or receive financial support from public and private funders who understand the substantial investment required. But once the resources are built, how sturdy are the structures in place to support them?

In 2009, the JISC-led Strategic Content Alliance commissioned Ithaka S+R to investigate the sustainability strategies of twelve digital content projects in the higher education and cultural heritage sectors, located in the United States, the United Kingdom, France, Germany and Egypt, to see how their leaders were developing cost-management and revenue strategies to foster long-term growth for ongoing digital projects.¹

Two years and one economic crisis later, Ithaka S+R, with the generous support of the JISC-led Strategic Content Alliance, conducted a new round of research and interviews with the leaders of the twelve projects that were the focus of our original case studies. Our goal was to see how their sustainability models had held up, where weaknesses might be starting to show, and what new strategies project leaders were adopting in response. How had budget cuts and other factors affected the projects? What had project leaders learned about making their resources valuable to users? Where did the resources – financial or non-financial – come from to make continued growth and innovation possible? And how could these lessons be useful to others?

The research is documented in updates to the original twelve case studies. The final report, *Revenue, Recession, Reliance: Revisiting the SCA / Ithaka Case Studies in Sustainability*, provides a summary and analysis of findings across all twelve projects profiled.

Key Findings

While the set of twelve projects is not meant to be statistically representative of all digital-content projects in the academic and cultural heritage sectors, there are illustrative themes visible across the case study updates:

In 2011, host institution support plays an ever-greater role in supporting digital resource projects. Support from a host university or institution – whether in the form of cash or in-kind contributions – was a core factor for the not-for-profit projects we studied during the original round of research in 2009. Two years on, we saw evidence of ‘gap’ support: host institutions helping in an ad hoc way to cover costs when a project’s revenue goals were not met through planned activities. It is clear that many projects are more dependent than ever on their institutional host. Whether or not this is a good arrangement, or one that projects leaders can rely upon, remains to be seen.

Earned revenue, though often a valuable part of a project’s sustainability strategy, was rarely sufficient to support the ongoing direct costs of the projects we studied. Even where innovative revenue models were in place, often they were not covering the entire cost of the resource. While having multiple revenue streams was often helpful, in some cases ‘diversity’ in revenue sources could be a liability, if the work needed to develop them ended up detracting from the main goals of the organisation.

¹ Nancy L. Maron, Kirby Smith, and Matthew Loy, *Sustaining Digital Resources: An On-the-Ground View of Projects Today* (New York: Ithaka S+R, 2009), www.ithaka.org/ithaka-s-r/research/ithaka-case-studies-in-sustainability/report/SCA_Ithaka_SustainingDigitalResources_Report.pdf. Commissioned by the JISC-led Strategic Content Alliance.

Identifying reliable external sources of revenue requires ongoing experimentation and iteration. The projects that have had some success with generating earned revenue have engaged in an ongoing process of testing and experimentation, identifying revenue models and target audiences that seem to be close fits for the project's needs, and building on those if they show early signs of success.

The projects that were conceived with a mandate to generate revenue seemed more successful at this than those mission-based projects that attempted to generate revenue as a secondary measure. The projects generating enough revenue to cover their costs – a for-profit publisher and two commercial trading ventures at cultural heritage organisations – were those whose main intention was to do just that. Projects started with external grants, often at academic institutions, had a more difficult time than projects created by large cultural organisations specifically to generate revenue.

Whether a project is 'mission-first' or places a premium on generating revenue, aligning the goals of the project and the mission of its host is important. We observed several examples of projects taking steps to more closely address the institutional mission of their hosts. In the case where we observed that project and institutional expectations seemed to be misaligned, the unit was eventually restructured in order to remedy this.

Staying small is fine, if the resource is filling a well-defined niche. We observed some projects that had developed stable models based on support from a small but devoted core of supporters; for these projects, growth may not be an option, or it may not be considered desirable by project stakeholders.

'Small at any cost' is not the answer. In a difficult climate, many organisations have been forced to adjust to steep budget reductions, and these have been felt by embedded projects like those in our cohort. Still, simple across-the-board cost cutting at projects can end up depriving new, promising projects of the capital investments they require in order to grow. Short-term savings can, in this way, hinder future growth.

As projects continue to be buffeted by difficult environmental changes – budget cuts chief among them – having committed leaders and project teams who can set and pursue clearly articulated goals and adapt to changing circumstances seems more important than ever. Those who are successful are able to identify and quantify both the financial and non-financial resources needed to continue to develop their projects, and they continue to assess progress toward their goals along the way. They understand and cultivate their audiences and other stakeholders who value what the resources provide. Whether they succeed in generating a great deal of revenue or have developed a well-articulated system of volunteer labour and contributions, their strength is in their ability to clearly identify the sources of support and to insure their reliability.

As projects continue to rely on support from their host institutions, the relationship between project and host must be constantly negotiated, defined, and nurtured. So for now, these project teams forge ahead, shaping and refining their goals and nudging their projects ever closer to the mission goals of the institutions that harbour them. Those with a deep and evolving understanding of their users and the changing world around them are poised for continued growth, success, even sustainability. Those without the inclination or ability to change course as needed, and to communicate the importance of the project to all those who have a stake in its success, will find rough waters ahead.

Ithaka Case Studies in Sustainability – 2011 Updates

We revisited each of the original twelve case-study projects in order to learn what had changed and how each project's sustainability plan had evolved. The cases we studied include scholar-led initiatives, library and museum projects, and publishing projects with a diverse range of revenue models:

- **Southampton Library Digitisation Unit** (formerly **BOPCRIS**), Hartley Library, University of Southampton (U.K.). A university library-based digitisation centre that has shifted its focus from providing services to external clients to serving its host institution.
- **Department of Digital Humanities** (formerly the **Centre for Computing in the Humanities**), King's College London (U.K.). A degree-granting academic department supporting research projects in the digital humanities that has faced challenges due to recent changes in the U.K. funding system.
- **DigiZeitschriften**, Göttingen State and University Library (Germany). An archive of German-language scholarly journals supported by a library partnership model and institutional subscriptions that cover its costs, but that may have challenges ahead.
- **eBird**, Cornell Lab of Ornithology, Cornell University (U.S.). A web-based database of birding observations that has thrived by serving both amateur bird-watchers and academic researchers.
- **Electronic Enlightenment**, Bodleian Library, University of Oxford (U.K.). An online collection of edited correspondence (early seventeenth century to mid-nineteenth century) that illustrates the benefits and challenges of outsourcing key functions.
- **Hindawi Publishing Corporation** (Egypt). A for-profit publishing company that has grown by using an open-access contributor-pays business model.
- **Inamédiapro** and **ina.fr**, L'Institut national de l'audiovisuel (France). Two divisions within the National Audiovisual Institute that illustrate a balance between mission-based goals and revenue generation.
- **The National Archive's Licensed Internet Associates Programme** (U.K.). An initiative that works with commercial partners to digitise The National Archive's holdings and to enhance the value of that content through careful selection and curation.
- **Middle School Portal 2: Math and Science Pathway**, The Ohio State University (U.S.). An online network of educational resources, services and tools for math and science teachers that has been part of the National Science Digital Library, and that faces an uncertain future as the end of its grant funding approaches.
- **Stanford Encyclopedia of Philosophy**, Stanford University (U.S.). An online open-access encyclopedia with user-contributed content that has launched a 'freemium' model to supplement payouts from its project endowment.
- **Thesaurus Linguae Graecae**, University of California, Irvine (U.S.). A digitised collection of ancient Greek texts, whose subscription model is strengthened by its efforts to broaden the audience for the resource.
- **V&A Images**, Victoria and Albert Museum (U.K.). The image-licensing unit at the Victoria and Albert Museum, which struggled to cover costs of its commercial activities while also providing free services to the larger organisation and to researchers.