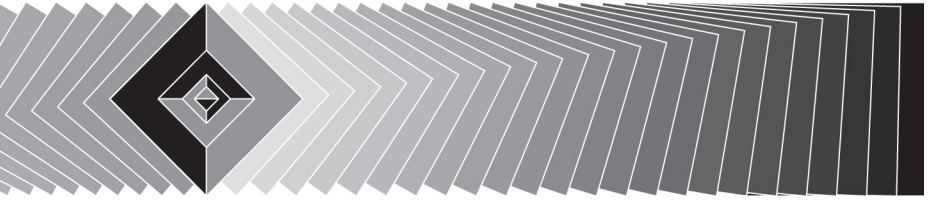


# SPEC



## Flyer 248

## Managing the Licensing of Electronic Products August 1999

### INTRODUCTION

Although some standardization of practice appears to be developing, licensing of electronic products remains a challenge for many libraries and is handled in a variety of ways. This SPEC survey sought to discover how research libraries have organized the licensing of electronic products and how they approach the associated problems.

Management of the licensing of electronic products may include:

- negotiating licenses with vendors;
- preparing and maintaining policies on licensing;
- maintaining files, either electronic or paper, of license agreements;
- preparing and maintaining agreements with standard language concerning the rights and privileges that the library requires;
- interpreting license agreements to library staff and users and educating them in their rights and responsibilities; and
- providing guidance to collections development staff on licensing issues related to evaluating electronic products for purchase.

### SURVEY RESULTS

Forty-four of the 122 ARL member libraries (36%) responded to the survey. Nearly all respondents reported managing substantial numbers of licenses within the library, but most (32 or 73%) share license management with other offices of their parent institution or consortia. Nine libraries manage all licenses completely within the library. A few reported collaborating with other campus libraries or departments (e.g., the medical library or the school of business) as well as with university legal offices. Only one library reported that it does not manage licenses.

Survey respondents were asked to characterize in two ways how much license management they do: numbers of licenses and estimated dollar amounts. On average, they reported that 79% of licenses are managed internally, 16% by consortia or other off-campus entities (including state agencies), and 6% by other agencies of the parent organization (e.g., purchasing department). These percentages changed somewhat when dollars were estimated: 71% of the dollars are managed internally, 23% by consortia or other off-campus agencies, and 6% by other agencies of the parent organization. Thus, the major reason for external management was a consortial license.

*Personnel.* A majority of the responding libraries (26 or 60%) have one employee who is responsible for managing licenses. The titles held by these employees are: collections administrator, serials librarian, acquisitions librarian, electronic access manager, and special collections librarian. Sign-off authority for licenses is usually held by a department head, library director, or an assistant/associate library director. In a few cases, authority is held by someone outside the library (e.g., head of purchasing or comptroller). When respondents work with other agencies in their parent organizations, it is usually legal counsel; 89% report having access to legal counsel. Most of these relationships were characterized as effective, with the most commonly reported problem being delays in the authorization process.

*Educating Users and Staff.* One of the great challenges of licensed electronic products is educating users and staff about restrictions, permissible uses, etc. Respondents carry out this educational process in a variety of ways. The most common educational method is to make license awareness part of the training in library or database use; 28 libraries (68%) use this method with patrons, and 27 (66%) use it with staff. Online education screens at point of database entry is also frequently used (66% for users; 51% for staff). One-on-one training is another strategy (44% for users; 56% for staff). Another, less-used method is at the point of password provision (22% for both users and staff).

Thirty-three respondents (75%) reported providing special training for license managers. Sending these managers to workshops is the preferred method of providing training. Twenty of the 37 libraries that provide training have sent managers to the ARL workshop on licensing. Other workshops attended include those offered by ALA, NASIG, CARL/ABRC, and university attorneys on state and university licensing policies and copyright.

*Record Keeping.* Keeping records related to licenses is an important, sometimes frustrating component of the management task. Most respondents depend on paper records held in the acquisitions department, the collection development office, and/or the director's office, but a variety of other locations were mentioned as well. Few libraries appear to have licenses available in electronic form, though some are developing such systems.

Most respondents (79%) reported that they maintain

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records for licenses negotiated by consortia to which they belong, and most of these (71%) said that they routinely receive copies of fully executed consortial licenses. Most (76%) also said that they reviewed and perhaps modified consortial licenses before they were finally signed.

*Terms of Agreement.* Most respondents (33 or 77%) do not use standard forms in working with vendors of electronic products. Nonetheless, all of the libraries that manage licenses do have, by policy, certain requirements that license agreements must meet. Most often found are requirements that walk-in patrons be allowed to use the product (72%) and that the product be subject to fair use rights as defined by copyright law (69%). Other provisions required by some respondents are: preservation of anonymity and confidentiality for users (36%), Year 2000 compliance (33%), periodic reporting of usage statistics (31%), use of the product for interlibrary loan (25%), confidentiality of usage information compiled by the vendor (22%), perpetual access to licensed information (22%), and ability to produce and keep archival copies (19%). A few libraries have requirements related to indemnification, often because these are required by state regulations.

The few libraries that have a formal policy for shrink-wrap and "click-on" licenses, managed them like other licenses, but two-thirds of the respondents do not have a formal means for managing these types of licenses.

*Collection Development Impact.* In a majority of responding libraries (26 or 59%), individual selectors have no reported responsibilities related to licenses. In the remaining libraries, the most common type of responsibility is to screen the license in the process of recommending the product for purchase. Only three libraries reported that selectors or selection committees are authorized to sign off on orders. One library reported a pilot project in which a selector would handle negotiations for a license.

*Satisfaction Levels.* In spite of identifying areas for improvement, most respondents are basically satisfied with the way licensing is managed in their libraries. Figures were a bit different, however, when respondents were asked to comment on whether license management had become easier or more difficult during the last five years. While a little more than half reported that the process was easier, 44% reported that it had become more difficult. Life has been made easier, several libraries reported, by the fact that both libraries and vendors are more experienced and better skilled in this area. Some said there are simply better vendor contracts that are more standardized and aware of library needs.

Others find life harder because there are now many more and more complicated licenses to manage. There is

also more variety in types of products.

Libraries reported the following as the greatest challenges of licensing:

- maintaining documentation;
- negotiating;
- informing or training users and staff;
- time- and labor-intensity;
- slow turnaround time and delays;
- sheer number of licenses; and
- managing a process involving many people with whom one must communicate.

## CONCLUSION

Although there appears to be a growing degree of comfort with the management of licensed electronic products, many libraries are still working to bring systems and processes to desired levels of effectiveness. Several factors appear to make a difference in the effectiveness of license management. The following could serve as a checklist for libraries contemplating change in this arena:

- have a centralized automated database of contracts and other license-related data for tracking and informational purposes;
- assign a single resident expert coordinator;
- assure that relevant staff, especially public services and collections staff, have all critical information;
- conduct continuous improvement in the licensing process;
- communicate with vendors: convey contract requirements clearly and build levels of trust;
- develop "boilerplate" license requirements for electronic products; and
- involve selectors more in the screening of products for licensing issues.

*This SPEC Flyer and Kit were prepared by George J. Soete, ARL/OLMS Organizational Development Consultant, with the assistance of Trisha Davis, Ohio State University.*

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