

## Consortial Purchases Report

11/11/2014

HSLI is now an official consortia with Rittenhouse. Membership is as follows:

1. Eastern IL – PDA Collection
2. Lakeview College – PDA Collection
3. Blessing Hospital: purchase
4. Advocate Bromenn – will be purchasing
5. Advocate Health Network – will be purchasing
6. Elmhurst Hospital – will make decision Nov. 15<sup>th</sup>

The 10% discount offer from McGraw Hill is in effect until December 15.

Stacey and Daneen were contacted by Brooke L Billman, MA, AHIP, from the Consortia Model Team of the AZHIN Sustainability Task Force. Survey results are summarized in the attached poster.

This committee is in need of a chair.

Respectfully Submitted,

Stacey Knight-Davis, ex officio

# Health Sciences Consortia: A Benchmarking Data Survey

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## Objective

In a time of budget constraints, hospital library closings, and institutional restructuring, consortial organizations who serve libraries may find it necessary to adapt services and revamp their business models to stay relevant and viable. AZHIN delivers electronic resources at a discount to its members and is in the process of reviewing its current framework and exploring ways to retain its ability to provide resources to member organizations.

## Methods

To understand the current consortial landscape, the consortium's Sustainability Task Force reviewed the literature and found that there is a lack of research that addresses health sciences consortia structure, methods used to stay viable in the shifting world of library resources, and projections about future trends.

The Task Force designed a survey to collect benchmarking information from consortia that can offer health sciences resources to a group of institutionally diverse members. Approximately 50 consortia were identified. The consortia that met the inclusion criteria were sent a comprehensive 50-question survey on membership, structure, vendor relations, and financial health and 93.3% (N=15; n=14) completed the survey.

## Results: Consortia & Membership Overview

- Consortia:
  - Headquartered in 13 states
  - Serve members in over 30 states and 1 Canadian province
  - 78.6% (N=14; n=11) have non-profit designation
  - 76.9% (N=13; n=10) allow institutions without librarians to join
  - 61.5% (N=13; n=8) have annual budgets of over \$1 million
  - Consortial benefits include:
    - Access to subscription content
    - Access to tools (e.g.- LibGuides, mobile apps, discovery service)
    - Networking with other experts
    - Value-added resources (e.g.-training, troubleshooting, ILL)
- Members (N=14):
  - Membership organization types:
    - 92.9% (n=13) have hospitals or academic medical centers
    - 64.3% (n=9) have universities or colleges
    - 28.6% (n=4) have community colleges
  - Membership organization status:
    - 100% (n=14) have non-profit members
    - 50.0% (n=7) have for-profit members
    - 35.7% (n=5) have government agency members
  - All consortia limit membership by at least one factor (e.g.- geographic region, institution types, non-profit status)

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## Results: Membership Changes

57.1% (N=14; n=8) had 5 or more members leave their organization in the last 5 years. Of the members who left, 92.3% (N=13; n=12) had librarians while 38.5% (n=5) did not. Reasons for leaving include:

- Budget constraints
- Believed UpToDate would replace all other resources
- No longer qualified for membership (e.g.- changed to for-profit status, librarian left institution)
- Didn't feel consortium had resources they needed
- Library or hospital closed
- Librarian retired

69.2% (N=13; n=9) of consortia felt no or a minimal impact from member loss. Others stated financial impact, decrease in morale of membership, and decrease in negotiating power.

**Table 1: What type of members left your organization?**

	n	%
Hospitals/Academic Medical Centers	8	33.3%
College/Universities/Med Schools/Nursing Schools	4	16.7%
Other	3	12.5%
Government agencies	2	8.3%
Law firms	2	8.3%
Area health education centers	1	4.2%
Community Colleges	1	4.2%
Community health centers	1	4.2%
Mental health agencies	1	4.2%
Public health	1	4.2%
<b>Total responses</b>	<b>24</b>	<b>100%</b>

## Results: Fee, Dues, or Other Costs/Charges

- 71.4% (N=14; n=10) of the responding consortia add a service fee, membership fee, dues, or other cost or charge in addition to the actual cost of resources.
  - Of the responses (N=21), the most common categories costs or charges contribute to are operational costs (38.1%, n=8) and salaries (33.3%, n=7).

## Results: Financial Strategies

- Other than dues, sources of funding include fee-based consulting services, grants, state funds, donations, and event hosting.
- Strategies for keeping costs down for members include vendor negotiations, developing proprietary products, and a move to web-based conferences.
- Strategies for sustainability and growth include:
  - communicate with CIOs and provide benchmarking data for ROI
  - expand to add new members
  - investigate "growing the business from within" vs exploring new partnerships
  - explore trends and opportunities and assess competitive threats

## Results: Invoicing, Licensing & Vendor Discounts

- 71.4% (N=14; n=10) receive vendor invoices and then invoices members
- Vendors offer discounts based on a fixed %, number of institutions, hospital bed count, FTE, concurrent users, and Carnegie Classification.

**Table 2: Are there vendor-imposed constraints on licensing?**

	n	%
Yes, limited by geographic location	9	42.9%
Yes, by institution type	6	28.6%
Yes, Other: Legacy Contracts	2	9.5%
No, not limited by any factors	2	9.5%
Yes, Other: Vendor rep territories	1	4.8%
Yes, limited to non-profit or not-for-profit status only	1	4.8%
<b>Total responses</b>	<b>21</b>	<b>100%</b>

## Conclusions

- A wide variety of consortia models exist
- Consortia are operating independently of one another which creates much variation and a lack of best practices
- Consortia implement a wide variety of financial strategies in order to grow and remain sustainable
- Consortia should partner to better leverage purchasing power
- Need for assistance in creating governing documentation such as business and marketing plans
- Additional research is needed in order to develop a stronger business model for consortia who provide health sciences resources

## Next Steps

- Follow-up with phone calls to further explore specific responses
- Send anonymized survey data to respondents in order to help inform decisions that may improve their organization's health
- Suggest areas for participating consortia, including AZHIN, to strategize about:
  - Business plan development- just 37.5% (N=14; n=6) have or are working on
  - Marketing or communication plan development- just 57.1% (N=14; n=8) have a plan
  - Alternative sources of funding
  - Membership reductions
  - Corporate mergers among membership- just 54% (n=7) have established plans
  - Vendor-imposed geographic or institution type limitations
- Send a follow-up survey to respondents to explore whether initial data has or will affect their consortia