

# ACES DATABASE NEGOTIATION CASE STUDY

## LIBRARIAN ROLE

*Tip for analyzing this case: Don't worry about using a calculator for complex calculations. Any calculations needed for this case are provided.*

## THE SITUATION

You are Jane, an electronic resources librarian at a public doctoral-granting institution, and you have received a renewal proposal for a term of 1 year that is a 10% increase over the prior year's price for the ACES database (\$20,000). Last year, this database had a significant platform update that improved user experience including accessibility. See **Exhibit 1** for details on the offer.

### **Exhibit 1. Initial Renewal Offer – E-mail from the sales representative who supports ACES database.**

*Hello Jane,*

*The price for renewing the ACES Database for 2024 is \$22,000. This is an incredible value based on usage during the last year, where downloaded content, if acquired individually, is valued at over \$100,000 in the private sector.*

<b>Content Area*</b>	<b>Annual Use</b>	<b>Individual Price/Use</b>	<b>Total Value</b>
<i>B</i>	<i>812</i>	<i>\$ 20</i>	<i>\$ 16,240</i>
<i>C</i>	<i>505</i>	<i>\$ 75</i>	<i>\$ 37,875</i>
<i>D</i>	<i>964</i>	<i>\$ 60</i>	<i>\$ 57,840</i>
<i>E</i>	<i>27</i>	<i>\$ 45</i>	<i>\$ 1,215</i>
<i>Total</i>	<i>2,315</i>		<i>\$ 113,170</i>

*In addition, as you know we were recently acquired by Delta Information Resources. As a result, we have a new license agreement. I have attached this agreement for your perusal.*

*Please let me know what time works for you to discuss ACES, how people are using it, and your renewal. I look forward to the discussion.*

*Best,*

*John*

*\*Note Content Area A is openly available government collected data and presents no additional value, so it is not reported by the vendor.*

The double-digit increase automatically triggers a deeper review by a larger collections group within your library to determine whether the resource should be renewed. This group will review the offered deal to determine if the library should provide a counteroffer. If a counteroffer is made, the group needs to decide what is acceptable. The collections group has been working trying to keep renewals at around

3% on average, pushing some vendors renew at the same price or even improved pricing (a decrease) if the situation merits it, and acknowledging it will be difficult to get some vendors of critical resources to budge during negotiations. Overall, after a dip in pricing increases for electronic resources to 3-4% during the Covid-19 pandemic, Library Journal is predicting prices to increase to 5 to 5.5% in 2024, returning closer to the averages seen (5-6%) prior to the pandemic.<sup>1</sup> The collections group has also developed a new set of guidelines for ideal license terms, which includes allowing for walk-in users and strikes out non-disclosure agreements, based on the premise that you are a public institution that is funded by taxpayer dollars. Allowing walk-in users will ensure access for public constituents, and the removal of any non-disclosure agreements ensures transparency in how library funds are spent. The larger collections group has also been directed by library administration to find a way to cut \$100,000 from the resource budget this year due to flat budget allocation from the university combined with high subscription inflation rate (6%) over the past decade.

## BACKGROUND

ACES is a database heavily used by practitioners in public health and in a variety of other healthcare fields. The primary purchasers for this database typically are healthcare providers and government agencies. The academic market is a secondary market that purchases the database to help students learn to use the tools and resources commonly used in the field. There are three competitive products that provide similar content with some overlap: Beta, Gamma, and Epsilon. All four databases offer access to government data on health-related topics (Content Area A). **Exhibits 2 & 3** summarize additional information you gather.

### Exhibit 2: Content Overlaps & Unique Attributes

Content areas are labeled: A, B, C, D, E, F, G

Data Source	A	B	C	D	E	F	G	Unique Attributes
Government (Open)	X							None
ACES	X	X	X	X	X			Proprietary analysis, learning tools
Beta	X	X	X	X	X	X	X	Proprietary analysis
Gamma	X	X	X				X	Proprietary analysis
Epsilon	X	X		X	X	X		None

<sup>1</sup> Bosch, S., Romaine, S., Albee, B., Elliott, C. M. (April 11, 2023), "Going for gold, deep in the red: periodical price survey 2023," Library Journal, Accessed October 25, 2023 at <https://www.libraryjournal.com/story/going-for-gold-deep-in-the-red>

**Exhibit 3: Access, User experience (Difficulty), Target user, Cost Data**

Data Source	Access	Difficulty Level	Target User	2021 Annual Cost
ACES	Off-Campus Unlimited seats Designed for accessibility	Somewhat difficult	Professional practitioner	\$20,000 (Proposed renewal price \$22,000)
Beta	In-library use only at 2 dedicated computers** Not designed to support accessibility	Very difficult	Professional practitioner	\$14,000, 2 more terminals can be added for \$10,000
Gamma	Off-Campus Unlimited seats Designed for accessibility	Easy	Academic students	\$5,000
Epsilon	Off-Campus Limited to 10 seats Some features are designed for accessibility	Somewhat difficult	Professional practitioner	\$15,000 You can increase seats to 25 for \$5,000 more.

\*\*Library is not accessible 24 hours, and your university supports online degree programs as well.

## ANALYSIS OF THE NEW LICENSE AGREEMENT

Issues of concern:

- Under the termination clause in the contract, you notice that the new agreement now incorporates language that requires subscribers of the database to destroy all downloaded proprietary data upon termination of the subscription. If this is true, it would be impossible to manage, as the library cannot control where users store the database information, nor can it control the destruction of data on users' personal devices. If this license term is required, i.e., ACES will not strike that language, the University will not sign off on the agreement.
- A non-disclosure agreement clause is present.
- It is unclear in the contract whether walk-in users to the library can use this resource, and this point needs clarification and correction.

## PRICE & USAGE HISTORY:

Pricing has been stable for the last 5 years with no increases. The subject liaison also reminds you that the interface for ACES was updated about 10 months ago. Immediately after the update, there were

several technical issues that caused the database to be unstable, though it seems like most of the technical glitches have been worked out. Before this, the interface hadn't been updated in 8 years and appeared rather dated. Students previously found the interface confusing to use, and as a result usage had been declining over time. Since the launch of the new interface, however, usage has increased dramatically. This resource, the three competitive resources, and the government data website are also listed in the library's subject guides and course guides. ACES is emphasized as an important database in capstone courses (senior-level) for the public health and nursing undergraduate programs, whereas the database from Gamma, which has a smaller learning curve, is emphasized more in freshman classes. **Exhibit 4** summarizes price and use history.

#### **Exhibit 4. Price & Usage History**

<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Price</b>	\$18,500	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
<b>Use</b>	2,435	2,501	2,250	1,815	1,395	2,315
<b>\$/Use</b>	\$7.60	\$8.00	\$8.89	\$11.02	\$14.34	\$8.64

## **ACTION NEEDED**

You present this information to the collections group, and it is decided that, if possible, it would be good to maintain access to this database, especially considering it allows remote access and its content is fully accessible if you can reach an acceptable agreement. Next, the group needs to develop a negotiation strategy that includes analyzing each parties' interests (the libraries and the vendors). Aspects of the strategy you need to determine are:

- Determine priorities
- Identify alternatives
- Determine the BATNA (best alternative to negotiated agreement)
- Create the counteroffer
- Define the ZOPA (zone of possible agreement)
- Pinpoint concessions

After preparing this strategy you meet up with John to negotiate the possible renewal of Aces Database.