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Scholarly Kitchen

Elsevier Acquires bepress

By Roger C. Schonfeld

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Today, Elsevier announces its acquisition of [bepress](#). In a move entirely consistent with its strategy to pivot beyond content licensing to preprints, analytics, [workflow](#), and decision-support, Elsevier is now a major if not the foremost single player in the institutional repository landscape. If successful, and there are some risks, this acquisition will position Elsevier as an increasingly dominant player in preprints, continuing its march to adopt and coopt open access.

bepress

The acquisition target is a company with an interesting history and product portfolio. Like SSRN, Elsevier's last major acquisition of a standalone company, bepress was founded by academics who saw opportunities to transform scholarly communications. In both cases, they have profited richly from their vision.

Originally started by scholars at Berkeley in the fields of law and economics as Berkeley Electronic Press, bepress was first established to publish journals with improved time to publication using an innovative incentive structure to reward peer reviewers. The journals portfolio grew to 67 titles and was [sold in 2011 to DeGruyter](#).

Today, bepress is focused not on journal publishing but on the infrastructure of scholarly communication and showcasing scholarship. When I asked him yesterday to define the company, CEO Jean-Gabriel Bankier began by saying, "We build research showcases."

While the journals portfolio developed, bepress launched a cloud-based institutional repository system called Digital Commons. Institutional repository platforms are used by many libraries for a variety of purposes including assembling a university's scholarship through article preprints and other materials. Other uses include the storage and dissemination of student works (such as theses and dissertations), datasets, and special collections and grey literature. Digital Commons has embraced this diversity and it competes in a number of different product categories.

Now the signature bepress product, Digital Commons counts more than 500 participating institutions, predominantly US colleges and universities. bepress claims a US market share of approximately 50% overall, recognizing that not all institutions have an institutional repository. Among those universities that conduct the greatest amount of research, for example [the 115 US universities with highest research activity](#), bepress lists 34 as Digital

Commons participants, for a market share of about 30%. Market penetration in this segment is lower because many of the larger research libraries have turned to open source solutions that are locally installed. No repository solution dominates, and while bepress may be strongest by some measures, it is hardly a monopolist. It also has not developed a strong presence beyond the US, although with a global marketing and sales engine this could change.

A related bepress product is Experts Gallery Suite, which functions in some ways as an add-on to Digital Commons, allowing institutions to showcase the work and expertise of their scholars.

Over time, bepress has built a healthy business that is not only cash flow positive but profitable. As the appetite for acquisitions in the scholarly communications has heated up, [as I foresaw a year ago](#), bepress is a promising target.

Elsevier Strategy

Elsevier's strategy for moving beyond content licensing has been unfolding in public. While its roots are as a publisher, today it describes itself as an "information and analytics" company, a distinction that is more than just rhetorical.

Elsevier has moved to become a substantial player in the gold open access marketplace, [by its own account the second largest publisher of open access articles](#). While [some efforts to transition national site licenses to hybrid publishing agreements have been fraught](#), this may be little more than transitional pains. [Consortial cancellations and threats to do so](#) notwithstanding, [Elsevier's science business remains strong](#). While the largest publisher, Elsevier has relatively close competitors, and as SpringerNature merges its two content bundles together in library sales and better integrates its open offerings it is worth watching closely.

Elsevier is also moving beyond publishing to support academic science. It has been on a major acquisitions spurt for the better part of a decade, buying up and then further developing a variety of scientist-facing services such as [Hivebench](#), [Mendeley](#), [Pure](#), and [SSRN](#), which collectively position it to serve scholars and universities from the research design and grant application stages through laboratory research and to and even beyond publication. There are vast opportunities to integrate these tools, including their infrastructure, data, and authentication mechanisms. Some of this integration is taking place at an appropriately methodical pace, but there is also reason to believe that Elsevier is having some trouble integrating them as rapidly as it might have been expected to do. But, over time this portfolio will become more seamless for customers and end users and it is on a strong path strategically. Digital Science — a sibling company to SpringerNature — is the only competitor demonstrating an interest in building a similar kind of portfolio, but although it is bundling products together for sales purposes ([for example, at Carnegie Mellon](#)), it seems to be less focused on integrating discrete products onto a common infrastructure and for a seamless user experience.

The Bidding

When the bepress board decided to sell, the bidding for it this summer included interest from both private equity firms and a variety of purchasers with strategic interests. Reflecting on the

process, Bankier told me that, “From the moment Elsevier walked in the door, they got us, asked the right questions, were most analytical, understood the market, got our vision, and knew where we want to go.” In other acquisitions, Elsevier has been said to have offered more than an order of magnitude higher than a peer bidder, seeing the strategic potential of assets rather than just their current business projected out. In this case, terms are not being disclosed but there is no doubt that Elsevier sees the acquisition as strategic.

Asked why it chose to make this investment, Olivier Dumon, Elsevier’s Managing Director for Research Products, told me yesterday, “We thought we were missing this institutional promotional platform — we had a tiny bit of it in Pure — but it was really a very small set of features, and we are far from what bepress are doing... We’ve had them on our radar for a long time.” It is striking to hear how consistently both parties emphasize showcasing and institutional promotion as the keys to this transaction.

Showcasing and Compliance

Elsevier has invested substantially in tools to help universities comply with funder mandates, assess their research outputs, and showcase the expertise of their faculty members. The general category of systems has become known as current research information systems (CRIS), and Elsevier’s Pure is a powerful offering. I had the chance to participate in a workshop that Elsevier hosted about Pure recently and was impressed with the level of commitment being made by some institutions to these systems, as well as the opportunities from Elsevier’s perspective to integrate them into a broader suite of offerings.

bepress was one of the early entrants into the showcasing part of this market, creating pages for scholars to post their publications and other CV-type information, in a product now called Experts Gallery Suite (EGS). In terms of functionality, EGS is more focused on showcasing individual works than the fully array of services that a CRIS provides. bepress also aggregates items from across institutional installations through a series of “Commons” and “Networks,” making individual works, and also their creators, more discoverable.

Elsevier can improve its showcasing abilities in a number of ways. With Experts Gallery Suite, Elsevier now has a product focusing just on showcasing, moreso than as with Pure on assessment and compliance. EGS features may be added to Pure, or the two products could remain separate for the long-term.

Look also for information and analytics about works on Digital Commons to move seamlessly into Pure. This will strengthen Pure’s assessment and compliance at meaningful scale and may even help to drive Pure customers to adopt Digital Commons as their institutional repository. Is there even a scenario where Digital Commons would be offered as a free institutional repository add-on for Pure customers ([shifting the basis of competition as a product is down-scaled to a feature](#))?

There has been [some discussion about whether Pure itself can serve in essence as an institutional repository](#), since it includes a repository for preprints, and [several universities have selected Pure to function as their institutional repositories](#). Because of questions about control and preservation, some have taken issue with whether this is a sound choice. It will be interesting in this regard to see whether Digital Commons can actually be linked with or built into Pure to provide a CRIS-led institutional repository solution.

Science Preprints

For many, the elephant in the acquisition will be open access. While [bepress leaders have been vocal in support of open access](#), a review of the Digital Commons marketing this week emphasizes its ability to “[Expand reach and visibility for the full spectrum of faculty work](#)” rather than on transforming scholarly communications. It is interesting to reflect on apparent institutional objectives and priorities even before Elsevier’s acquisition.

Of course, Digital Commons is certainly used broadly by libraries to support a transformative agenda for scholarly communications. Across implementations, [Digital Commons includes nearly 2.3 million “free, full-text scholarly articles,” with a higher proportion coming from law, social science, education, and humanities, than the STEM fields](#). For providing free scholarly articles, Digital Commons probably competes most keenly in the library marketplace with the not-for-profit DuraSpace and the open source repository solutions it offers. But in a different sense, it competes with disciplinary repositories (Elsevier’s SSRN has nearly 750,000 research articles) and to some degree with social and pirate sources of articles such as ResearchGate and Sci-Hub.

Elsevier will naturally be looking to expand the existing Digital Commons business, both internationally and in growing the set of US institutions are interested in repository-driven services. Beyond growing this business as it currently exists, Elsevier will be looking at several strategic directions.

- In recent years, as its interests have moved beyond content exclusivity and towards metrics and analysis, Elsevier has been exploring how to connect institutional repositories with its content databases, providing stronger services to institutional customers while also exerting greater control over content. Last year’s pilot to link an institutional repository with ScienceDirect API was [strongly opposed within the library scholarly communications community for its seeming abandonment of any transformative agenda](#), but for the university spearheading the pilot it [was all about monitoring mandate compliance](#). We can expect extensive links between Digital Commons preprints and published versions via Scopus and ScienceDirect, leveraging DOI and ORCID infrastructure, and services to auto-populate abstracts, content, metadata, and/or social media mentions and other alt-metrics into the institutional repository. As bepress’s Bankier explains, “it is a great deal of work to build these repositories and showcases so anything we can do to help [customers] do it faster and more effectively” is seen as valued.
- But the connection between preprint and canonical work will itself be reconsidered further. Joe Esposito two years ago foresaw “[the return of the big brands](#),” with mainline publishers coopting open access at least in part by building a cascade of journals. And indeed, Elsevier received a [patent](#) last year for a cascade system. Lisa Hinchliffe earlier this year [predicted some future product directions for Elsevier](#), seeing this patent as an indication that a new a manuscript submission and management service might be in the offing. It is unclear exactly how such a system might be provided. Will Digital Commons become an anchor for such a service and therefore not only a repository but a starting point for the publication process?
- And last year, Elsevier’s [purchase of the SSRN service](#) was in part about bringing more users and communities onto its scientific workflow tools and in turn enhancing the analytics that could be generated across its services. Since that acquisition, SSRN has continued to expand the number of research networks it provides. The addition of

Digital Commons suggests some interesting opportunities to integrate disciplinary and institutional repositories over time. Dumon explains that “SSRN is really a platform for individual researchers while Digital Commons is more coming from the institutions,” suggesting an essential complementarity that could indicate certain kinds of convergence, and certainly auto-population across the two, over time.

By controlling bepress’s substantial portfolio of institutional repositories, and integrating it with Elsevier’s content platforms and workflow suite, there is a substantial opportunity to integrate a massive set of preprints, and analytics about their impact, with the published versions.

Journal Publishing

Digital Commons also has some features that go well beyond what many might see as core institutional repository features. Perhaps most notably, it has a suite of journal publishing tools, which many libraries use to provide hosting services for campus stakeholders. Customers today publish more than 1,400 journals through the platform. While many of these are student journals or other non-scholarly publications, more than 300 of the titles are described as peer reviewed — a substantial portfolio by any standard. None of these journals are owned by bepress, and only 25 of them are subscription-based. Still, Elsevier will be looking at some interesting opportunities to provide these journals with greater support and develop them as more of a coherent portfolio. Who knows but that it might try to acquire some of them itself with the usage and impact data that the platform could make available.

Legal Scholarship

In what seems at first to be merely a coincidence, not only bepress but also SSRN have strengths in legal scholarship. [SSRN’s Legal Scholarship Network is widely available at law schools](#). As for bepress, it offers an innovative model for legal publishing, in the Espresso service that supports law reviews, scholarly journals that are typically student edited rather than peer reviewed. And, [a survey published last year found that 59 of the 80 US law schools with institutional repositories used Digital Commons](#). It is notable that, in part because of its founders, bepress has special strengths with law schools and legal publishing.

Interestingly, Elsevier’s peer organization within RELX, Lexis-Nexis, is first of all a major legal information service. Its flagship products aggregate legal codes, case law, and legal scholarship, among other legal sources, alongside extensive indexing. It is not, however, a major primary publisher of legal scholarship.

It is notable, then, that Elsevier is bulking up on assets that are strong in legal scholarship. Whether this makes any meaningful impact for competitor services like Westlaw and especially for Heinonline as a smaller independent operation will be interesting to follow.

Risk and Success

Probably the biggest risk factor in this acquisition is whether libraries will abandon Digital Commons. The institutional repository managers who are probably the core customer community for Digital Commons are among the librarians most hostile to Elsevier. Will they

be successful in urging their libraries to abandon this product suite?

Elsevier has done its due diligence on institutional repository [migration plans](#) and [pricing](#), even if [internal coordination was lacking](#). What Elsevier and its advisors likely found was that bepress has developed a defensible position at least for the short to medium term, since alternatives to Digital Commons tend to require more technical expertise while omitting some of the services valued for journal publishing and displaying special collections, in particular.

And the core Digital Commons service suite is not expected to change. Bankier emphasizes that “the same services, same people, same technology” will all be retained. The fundamental service model of unlimited platform access with an annual price increase of 4-5% will be maintained. New features will continue to be added regularly, with streaming media the latest. And he emphasizes that “nothing changes in regard to our support for open access.”

Moreover, bepress tools will be integrated, on the back-end if not on the product level, with other Elsevier systems. This will shore up defenses against attrition and enhance customer value.

To be sure, we should expect to see outrage from the library community (with language like “[foolish venal sellouts](#)” for bepress). At a minimum, this may make it even more difficult or impossible to win some of the largest research university accounts (where libraries have the capacity to develop or operate their own repository platforms) or temporarily slow new sales. And library community reaction may suggest unexpected openings for existing or emerging competitors, especially in the preprint repository space.

But while rhetoric may well be hot, unless greater competition does develop, it is probably reasonable to expect that customer attrition will be minimal. In this circumstance, Elsevier will have become a strong player in the US institutional repository landscape. And, depending on how Digital Commons and SSRN are integrated into its broader portfolio of tools and services, does Elsevier now have the assets needed to tame open access?

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