

**Who:** Aldo Rampioni, PhD, CEO SISSA Medialab  
**Event:** openCost: Navigating Cost Transparency  
**Where:** Desy, Hamburg  
**When:** 17<sup>th</sup>-19<sup>th</sup> of March



## **Early considerations on cost modelling for Diamond Open Access: the JQuant project**

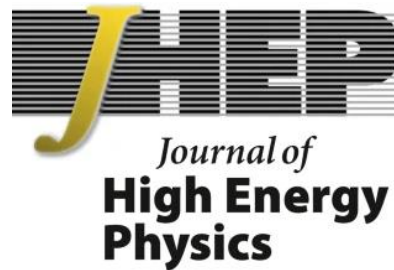
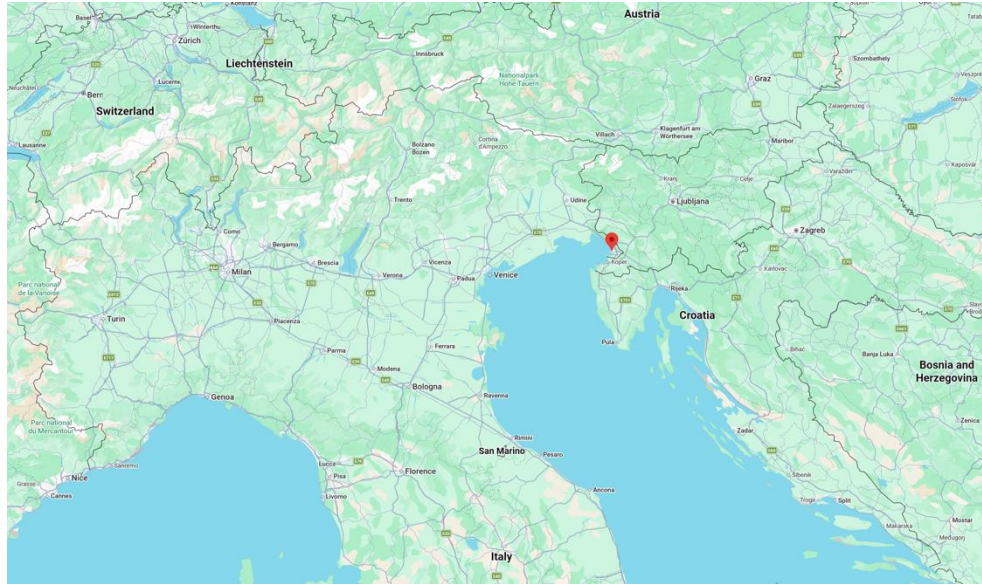


# Outline

- Intro SISSA Medialab: arXiv, JHEP, JCOM
- Beyond the concept of APCs
- Costs classification
- JQuant: cost dynamics
- JQuant: business model



# Diamond Open Access @SISSA Medialab



Sponsoring Consortium for  
Open Access Publishing in Particle Physics



# Beyond the concept of APCs

What is the real cost to publish an article?

It is not easy to answer this question.

It depends on too many factors:

- ✓ Is it published in an established journal or a new one? In how many years the launching costs of the journal are amortized?
- ✓ It depends on the volume of the journal!
- ✓ What is the rejection rate of the journal?
- ✓ What is really included in the costs? Comparing apples with oranges.
- ✓ Costs are different from one region to another (labor, services, real estate, etc.)
- ✓ Costs do change over time due to inflation, supply and demand, etc..
- ✓ Etc.



# Costs classification

Here we propose to classify costs as follow:

- Pre-launching costs
- Fixed operative costs
- Variable operative costs

This classification depends on the structure of the company, how much is developed in house or outsourced.

Some budget item may be composed by a fixed part plus a variable one.



# Pre-launching costs

- ✓ Scientific/editorial project definition (competitive analysis, aims&scope, editorial board, article types, policies, etc.)
- ✓ Journal platform: off-the-shelf or in-house development?
- ✓ IT (SysAdmin, sw and hw, servers, security, etc.)
- ✓ Publishing services (e.g. indexing, DOI, ORCID, etc.)
- ✓ Marketing (visual identity, website, promotions, etc.)
- ✓ Legal and administrative (contracts, GDPR, compliance with all regulations in general, etc.)
- ✓ To establish a support network of institutes
- ✓ Travel expenses
- ✓ General (office, services, insurances, etc.)



# Fixed operative costs

- ✓ Personnel directly working on the journal (editorial office, production, to develop a support network of institutes, marketing, sales)
- ✓ Journal platform: maintenance and development
- ✓ Personnel indirectly supporting the journal (IT, administration)
- ✓ Publishing services and licenses
- ✓ EiC fee
- ✓ General (management, office, services, insurances, etc.)
- ✓ Amortization (platform, sw) and depreciation (hw)
- ✓ Taxes



# Variable operative costs

- ✓ Travel expenses
- ✓ Editors
- ✓ Referees



# A sustainable diamond OA business model for JQuant

Our objective is to build an alternative, high-quality OA publishing model that does not rely on APCs.

Inspired by the SCOAP3 model, we aim to establish a consortium that guarantees the long-term sustainability of JQuant - and potentially other journals in the future – while keeping full control within the scholarly community.



# JQuant: business model assumptions

Every business model is based on assumptions that must be verified and eventually refined. Here are our initial assumptions:

- Pre-launching costs: 166 k€
- Amortization time: 5 years
- Cost items as detailed above
- Number of yearly published articles: 30-60-120-240-300 (at full capacity)
- Revenues: 120 k€ per year 0-2;  
200 k€ year 3;  
300 k€ per year 4-6;  
330 k€ per year 7-9.



# JQuant: profit & loss

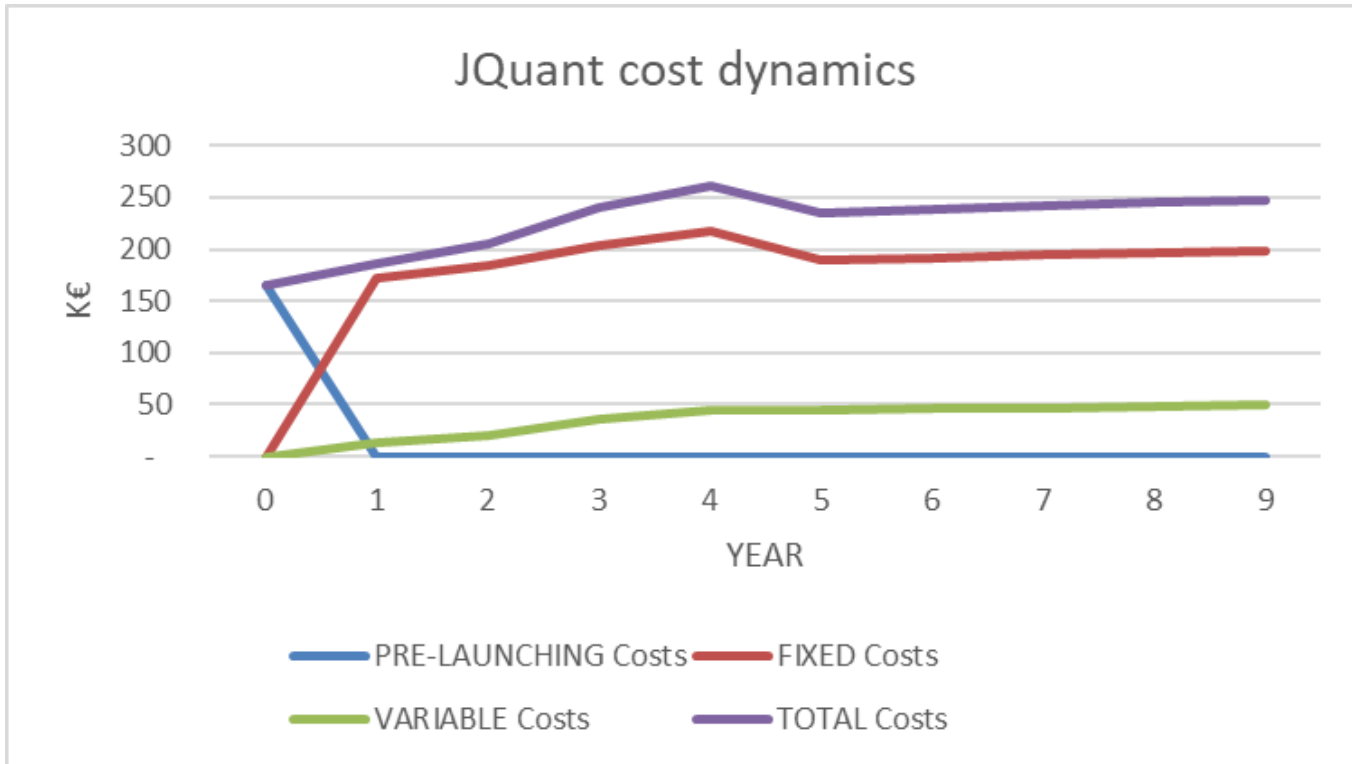
Values in k€						
YEAR	REVENUE	PRE-LAUNCHING Costs	FIXED Costs	VARIABLE Costs	EBIT	Cumulative EBIT
0	120	166	-	-	-46	-46
1	120	-	172	14	-66	-112
2	120	-	185	21	-86	-198
3	200	-	204	36	-40	-238
4	300	-	218	44	38	-200
5	300	-	190	45	65	-135
6	300	-	192	46	62	-73
7	330	-	195	47	88	15
8	330	-	197	48	85	100
9	330	-	199	49	82	182

- Break Even Point in year 5

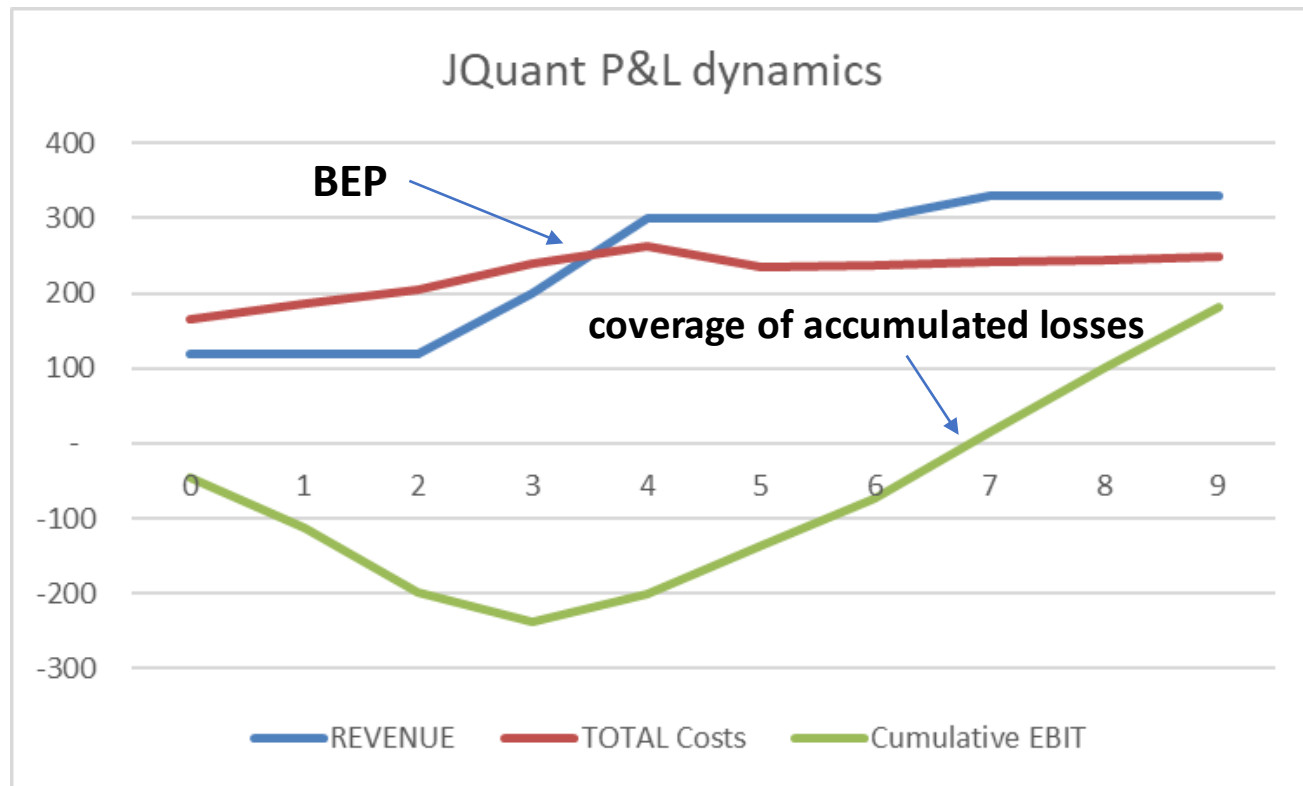
- Coverage of accumulated losses in year 8



# JQuant cost dynamics



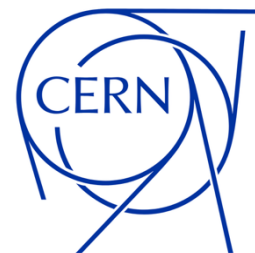
# JQuant: profit & loss dynamics



In the not-for-profit spirit of the initiative, eventual profit after the coverage of the accumulated losses will be reinvested in the scientific community as will be concurred with the journal's directors



# JQuant: initial consortium



more to come...





# Thank you

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