

No Shelf Required
Interview with Eric Frank

Interview Information
Interview Date: April 2, 2011
Interviewer: Sue Polanka, No Shelf Required
Interviewee: Eric Frank, Flat World Knowledge

Sue Polanka:

Hi everybody. This is Sue Polanka with No Shelf Required. Today is Saturday, April 2, and I'm here at the ACRL Conference with Eric Frank. Eric is the co-founder and President of Flat World Knowledge. Eric, thanks for joining me.

Eric Frank:

Thanks for having me Sue.

SP:

And Eric and I just finished a panel discussion on digital textbooks and the role of libraries. It was a great session and so many people were very hungry for more information about Flat World so he agreed to sit with me here for a few minutes and tell us a little bit more. So, Eric, just in general, what is Flat World and why did you found it?

EF:

Sure. Yes. So Flat World Knowledge is the largest commercial open textbook publishing company in the world. Which isn't saying that much yet, because we are probably the only commercial textbook open publisher. But we started in 2007, and my co-founder and I came out of traditional publishing roles at Pearson and McGraw Hill prior and said you know this this textbook model is just really broken. You know if your two-year community college student and you're paying "X" for tuition and fees, you're paying 72% of "X" for textbooks today. And so the cost issue has become a real barrier to student success in the classroom. And so we thought there has to be a way to leverage technology--to leverage emerging new models like, like open licensing.

SP:

Right.

EF:

And put those things together in a business model that could actually take costs down, improve the utility of a textbook for faculty and students, and actually a better business model for a publishing company.

SP:

So what are the business models? How does it work?

EF:

Yes. So basically our model has these three core components. The first one is, is actually just getting on the playing field by publishing an expert book by an expert author. So part one is about great textbooks and in that regard we don't differentiate from a traditional approach. We go out we find a leading scholar in his or her field.

SP:

Right.

EF:

We sign them to an agreement to write a textbook for Flat World Knowledge. We extensively peer review it to improve it along the way, and we professionally develop it meaning we have editors, we have illustrators, we have designers, and we produce faculty supplements so that it's easy to use—teach, test banks, PowerPoint slides, lecture notes, physical desk copies. So all of that is about saying we have a product that's at least as good as a traditional textbook. The second part of the model is where we radically differentiate, and that's by publishing the book as an open textbook.

SP:

Okay.

EF:

And that means that we're publishing under Creative Commons open license and that creative Commons license basically transfers five, I call them the five “R's of open”.

SP:

Okay.

EF:

Five important controls to the member who adopts an open text. The first one is that they have the legal right there to copy it and reuse it.

SP:

Reuse it.

EF:

The second R is revise. And I'll just mix two and three--revise and remix--rights two and three. And it really means I have control over this thing. It's, it's good enough to start, but I want to change it. I want to reorganize the table of contents. I want to delete material I don't want to cover. I want to insert some links to some readings. I want to put a you tube video in between these paragraphs. I wanna include local examples that my students are going to appreciate more than the ones that are in the textbook to start with. And so the open license provides you with the ability to revise material into remixed material from different sources together legally. And then the fourth R is to redistribute it so now I can make this available to my students. And the fifth R is the right to free access meaning when it's published there's at least one version of it that's available for free for the student to access in its entirety. So we provide our textbooks under an open license and then we provide a technology platform for faculty to be able to actually do all that easily—point, click, drag tables of contents around, open up a wizard insert a video between paragraphs. All the things I described are easily doable on the platform. And when the faculty member clicks I'm done, save this, and publish this for my classes, it's just for their own course they're doing this. That brings us to the third part of the model.

SP:

Okay.

EF:

And the third part of the model is all about student choices.

Speaker SP:

Okay.

Speaker EF:

And so we then automatically render that book--our platform does--in a bunch of formats. So one is HTML which becomes a web book and that web book with full note taking, search and everything else is the free version available to students. Anybody in the world today could go to flatworldknowledge.com go to the catalog and read everything for free. And log in, no registration and nothing.

Speaker SP:

Catalogs. How many catalogs.

Speaker EF:

We have 37 published today. We have just about 80 in the development process. So and choice. First choice is free web book and then the rest of them are paid choices and this is how we make money. This is how we pay off the royalties. We do all of that in and what we do is we sell all of the following. You can purchase a traditional soft cover book in black and white for \$30. You can get it from us or through a bookstore. You can buy that same book in color for \$70 and you can buy an audio book on an MP3 file directly by the chapter or the whole book. You can buy an E-reader version for your iPad or Kindle for \$25. You can buy a PDF file that you can download and print selectively. Umm... So those are all purchase decisions and we also automatically render the book in digital braille and easy readable formats. So those are free. So that students have print disabilities have the same free access that students who do not have the same print disabilities have. So, so that's really the model in addition we sell study aids to students that they can purchase but the idea is really. Give the faculty member control over this. Improve it for their purposes. Give the students control by letting them decide what to use and how much to pay for it. And it turns out that we're able to generate significant income stream giving students those choices.

Speaker SP:

What percentage of students will buy something?

Speaker EF:

Fifty six percent. So if you take a hundred and fifteen thousand students that are formally taking classrooms that were formally adopted, the statistics are fifty six percent buy. Forty-four percent read the free online book. Of the fifty six percent that buy, I'll give it to you out of a hundred percent, because that is what I have in my head. Thirty-three percent of them buy a print book.

Speaker SP:

Okay

Speaker EF:

Seventeen percent today buy downloadable PDF's and about 3 percent by E-reader versions and about 3 percent buy audio books. Now we expect both audio and E-reader to continue to grow, but that's the numbers today.

Speaker SP:

Okay. That's really great. Now in this session we were talking about what is the role of the library in trying to adopt open educational resources on campus and we, you know, we seem to be caught in this horrid business model where the

textbook prices keep going up. The students can't afford them so they don't buy them and in the in the session you laid out a scenario that you thought might be a a good future for libraries. Can you tell that to, to the rest of the world now?

Speaker EF:

Yeah. I mean I think that the model we have today that I described is kind of the.... It's catering to the market as it works. We don't market to faculty. They adopt the book. The student gets to decide where to buy it--the bookstore, online, etc. and what format. So it's radically different, but yet in some ways the same. I think there's a very significant move going on right now to institutional licensing of text books.

Speaker SP:

Okay.

Speaker EF:

And so in the scenario I laid out in the in the conference was this, that a school decides to negotiate a site license without our knowledge and they say, "Hey we'll buy a thousand seats at this university for X number of dollars." It could be \$19. It could be less depending on volume. So we now have the seats. Now professor comes along and adopts a book for class X. So all of a sudden what happens is the institution has the right to provide the textbook for class X to all the students--a 100% of the students in that class. So the model I described was that the library becomes the host entity of the files for the textbook. All those formats I describe can go behind the university system's subscription access model. The student has a validation for that. And so the student, it's in place right. So the student logs into their course logs in the libraries this is who I am and authenticates. This is great you have access to all these different formats of the textbook for this class. Umm... The, there's a print button. I want to print. That's important. Great. Well that routes an order over to the bookstore. They print it on demand and, and transact. They sell it and they can mark up to their necessary margins internally to, to sustain their business. Also a student has low cost digital access to the library. They have low cost print access to the bookstore. And, and if the information technology group wants to go into the library database and take pieces of that content out and put it directly in the learning management system--like blackboard or Safari or other being used on that campus, they have access to it and they could put it directly in the system. So it's really a win for everybody. The student gets a lower cost. The and I think with the library, they also get perpetual access. It can be available after that class is done, in fact, after they graduate and it's a really great service that the library can provide and it's been paid for. In our view it was paid for just like a book that they would have if it was on the bookshelf. It should be on the library perpetually if the library wants to make it available. So anyway, I think it's a great model. The, the follow-up question you asked was, of course, how does it get paid for?

Speaker SP:

Right.

Speaker EF:

And I don't think the answer there is quite as clear, but I think there's multiple ways that can happen. So one is just a fee per class so that student enrolls in

class X and as part of that they say, "Hey there's a \$19.95 text book fee on your bill and you pay it and it gets transferred to the library in the library rolls it up and pays for the subscription.

Speaker EF:

On the other way of course potentially is more of a global fee that starts to get assessed on a on a student, FTE student basis across the institution. It creates a pool of money available for licensing purchases. Or the third way is really still a student pays model with electronic commerce enabled. Where the students able, then maybe the bookstore gets more involved in turning that on, but it still authenticates the student now they have access to the library.

Speaker SP:

And technically this could happen with multiple vendors so

Speaker EF:

That's right.

Speaker SP

You might have a thousand seats with Flat World. Might have two thousand seats with Cengage shirt or something else. So it could be kind of like our journals where we have multiple vendors multiple.

Speaker EF:

I think it should be ultimately, because that leads to academic freedom. Up to the the professor to choose today. It doesn't restrict their choices which is what I. I think where the library or the, maybe the library maybe more generically the institution can start to flex its its buying power muscles is to say, Hey look if you want to be part of our subscription service which is great for you because we validate. You get paid for by a for a 100% of the students in the class. No used books. No other. But in order to do that, there's some conditions that have to be met. You have to be below this price ceiling. You know, maybe you talk about what license you have to use. Maybe you don't. It's up to, you know, but I think that there could be real leveraging of institutional buying power. Even without all the options yet having taken place, and that's a really interesting role for the library.

Speaker SP:

That's great. So we have a lot of potential. Is that what you're saying?

Speaker EF:

Exactly. I think so.

Speaker SP:

That's great and then the session and this was clearly not long enough today to talk about all the, the writing issues, the textbooks, and how we can adopt them, but it was a it was a great start and I appreciate you coming in to visit with us and staying after. We need today to talk more. So thanks.

Speaker EF:

Thanks. I love this stuff

Speaker SP:

And now for more information of Flat World. I would send someone to www.flatworldknowledge.com?

Speaker EF:

Yes, flatworldknowledge.com or if there's a need for a different flavor flatworldstory.com offers little bit of background in in context and then you can link over to flatworldknowledge.com catalog and everything.

Speaker SP:

All right. Great that's wonderful thanks so much.

Speaker EF:

All right. Thanks.