Scholarly Technology and the Fallacy of Profitability

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Abstract. The question of finding the best organizational form to provide the best services is crucial to the scholarly community. Evaluating a service provider's value system is not trivial, and conversations about values are often centered around profitability. We believe that this question is a red herring and that ignoring, even for the sake of brevity, the existing diversity among scholarly for-profits perpetuates the stereotype that for-profits cannot align on a values basis with the academic sector. Using our own experience with Thunken as an example, we argue that organizations should be judged on what they bring to the table, rather than on which forms they fill out when tax season comes.

Keywords: Scholarly technology · Business models · Sustainability.

1 Tropes So Old They Have Become Clichés

Esposito and Schonfeld recently published *Good vs. Evil?* [3] on the Scholarly Kitchen blog. While their post promises to address an issue of crucial importance to scholarly and scholarly-adjacent communities, it falls into old tropes that divert the reader's attention away from the problem, and, more importantly, that are prejudicial to some members of our community. While the question of finding the best organizational form to provide the best services is crucial to the scholarly community, we believe that the question of profitability is a red herring in most cases. This position paper builds upon the blog post *For-Progress vs. Not-for-Progress?* [1] published earlier this year by the first author.

Before we address the content of Esposito and Schonfeld's blog post, we must comment on its form. First and foremost, the title itself—"good vs. evil"—is problematic, as the authors start the discussion by establishing that some of the things that will be discussed will be "good" while others will be "evil." Such Manichean dualism is awfully reductive and, as a consequence, utterly dismissive of any organization that tries to operate between these polar opposites.

Then, throughout the post, the authors use defense and attack vocabulary to signal that nonprofits are under constant threat from "evil" corporations, e.g. "a community can serve as a bulwark against market inroads by a for-profit rival" or "today these NFPs are the competitors of for-profit firms; tomorrow they will be their lunch." Remarks against larger, capitalistic organizations might be crowd-pleasers, but, even when judging these large service providers, profitability is but one of many proxies to evaluate their value systems.

2 For-Progress vs. Not-for-Progress

We created Thunken in 2016. We talk about our technology any chance we get, and about why we love what we do, but we rarely talk about organizational matters. We started as a for-profit because of immigration-related factors, and this is the only reason why we get lumped in with the likes of Elsevier or Clarivate when the only criterion is whether an organization is for-profit or not. Before we talk about profits—or the absence thereof—we must emphasize that sorting service providers solely according to their legal form has very real consequences for small organizations. Unsurprisingly, we have been excluded from many grant programs, even if we have always been a research-focused organization. We have also been priced out of events that offer pricing tiers based on organizational forms rather than revenue or other continuous variables.

Interestingly, Esposito and Schonfeld list various potential shortcomings of nonprofits, without concluding that profitability might not be a good proxy for what they want to measure. Do we want to partner with organizations "in various forms of governance crisis", that are "desperately in search of greater agility", whose boards "will necessarily have multiple, often competing, priorities" that "do not always represent the interests of the members", or that "held on to services for which there is only the smallest demand"? No, regardless of their organizational form. Moreover, to use their terminology, "evil" nonprofits do not get a pass because they are nonprofits. The blog post also fails to address the real issues that we are all confronted with, no matter our organizational form: growth, momentum, and sustainability. No organization is infinite in size or resources. So, how do we choose which organizations to partner with? Is (the expectation of) profitability the only criterion to cut the Gordian knot?

Resources are scarce, and we are all competing for attention, traction, and funding. Competition for research grants has never been more intense, and success rates for calls for proposals are understandably low [4,5]. Private equity funds have a very limited understanding of scholarly technology, and their metrics of success do not necessarily align with ours. Data scientist might be the sexiest job of the 21st century [2], but science dataist is not as sexy for potential investors. So, in a thinly veiled version of the rich-get-richer effect, the well-connected gain more connections, and the well-funded get more funds.

3 The Third Estate of Scholarly Technology

By lumping all for-profits together in the same clique, and by selecting the largest and most "evil" as their poster child, Esposito and Schonfeld brush off any mission-based for-profit in our field. Adding that "compliance with applicable law is the heart of a for-profit's social policy, but it may champion certain issues of interest to its customer base" just adds insult to injury. There are dozens of independent, mission-based for-profits that are essential to the scholarly ecosystem. We cannot speak for all of them, so we will again use Thunken as an example. We started as a for-profit because of immigration-related factors, and we decided against seeking venture capital to explore so-called alternative business models. To this day, we provide for-profit services to fund our research activities. We currently run Cobaltmetrics at a loss because we believe that altmetrics are not alt- enough, and because no other provider has shown any interest in working on selection biases and linguistic discrimination in altmetrics. Earlier this year we re-incorporated Thunken as a nonprofit organization, specifically an *association loi 1901* registered in France. Same team, same projects, but a new legal form that better matches our values. We reincorporated, among other reasons, because we want to push for alternative business models in scholarly and scholarly-adjacent communities, and this is also why we work to get Scholtech.org off the ground. We could all be competing for the same grants from the same finite pool of funders. Some of us are exploring other paths, and we should be judged on what we bring to the table, rather than solely on which forms we fill out when tax season comes.

Ultimately, we agree with Esposito and Schonfeld: it is hard to decide where the balance should be struck. But generalizations are harmful. Ignoring, even for the sake of brevity, the existing diversity among for-profits perpetuates the stereotype that for-profits cannot align on a values basis with the academic sector. Their list should at least mention public benefit corporations, low-profit limited liability companies, social purpose corporations, and other for-profit organizational forms that include a positive impact on society in their legally-defined goals. Just like you should not judge a book by its cover—or a scholar by their h-index—you should not judge an organization by its tax status.

In the context of the Second Workshop on Reframing Research, we want this short position paper to be a conversation starter. We hope to engage with the audience in an interactive way to discuss how to best shape the scholarly technology ecosystem. No matter our affiliations, we should all have open and honest conversations about funding, competition, and sustainability.

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