

Berkeley

Administration and Finance

Revenue Generation Symposium #1

October 15, 2012
Haas Pavillion

Revenue Generation Symposium #1

AGENDA

2-2:15 Welcome and Introductions -- John Wilton

2:15-3:00 Presentations:

- *Athletics' Aggressive Outbound Approach: Ticket Sales, Customer Service & Strategic Partnerships* – Solly Fulp, COO of Athletics
- *A Center for Diagnostic Excellence in Psychology* – Carla Hesse, Dean of Social Sciences
- *The Case of Wurster Hall's Café* – Jennifer Wolch, Dean of College of Environmental Design
- *Best Practices on Revenue Generation* – Diana Wu, Dean of Extension School, and Ted Huang, CFO

3:00-3:10 Break

3:10-3:45 Discussion

3:45-4:00 Wrap up and next steps – John Wilton



Revenue Generation Symposium

Cal Athletics – October 15, 2012

*"If you build it
they will come."*



PASSIVE INBOUND

*"We better hustle & make
some good things happen!"*



AGGRESSIVE OUTBOUND

Business Plan

- December 2011 - Presented to John Wilton & Sandy Barbour a Business Plan for an In-House Ticket Sales Staff
- 393K in expenses for outbound ticket sales staff
- Projected 1.4 million in new business revenue

Challenges & Solutions

- **Funding** → **DIA Fund**
- **Sales Comp Structure** → **Jeannine Raymond**
- **Expertise & Structure** → **Professionalized**
- **Time & Execution** → **Urgency + Hard work**

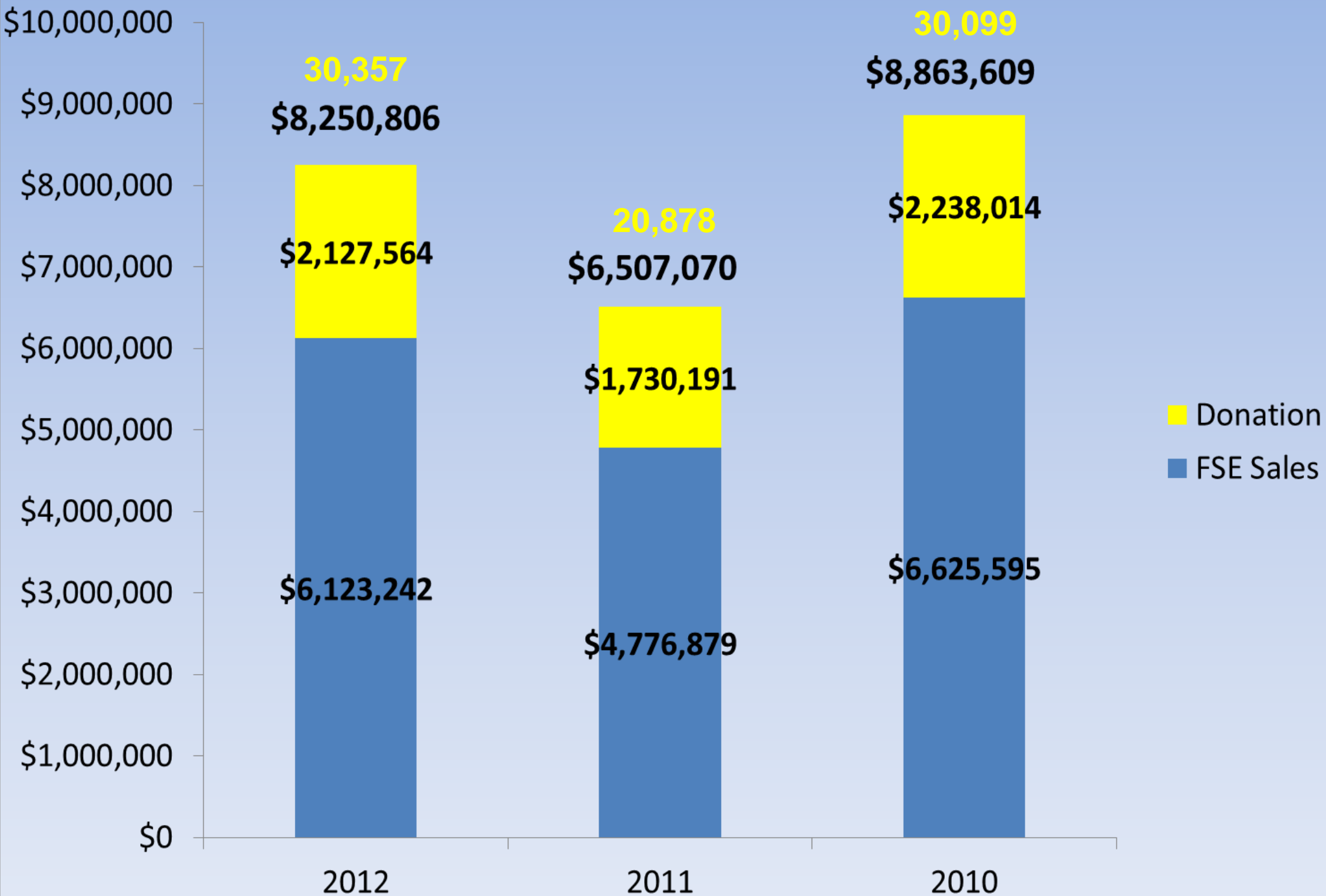




Outbound Ticket Sales & Customer Service

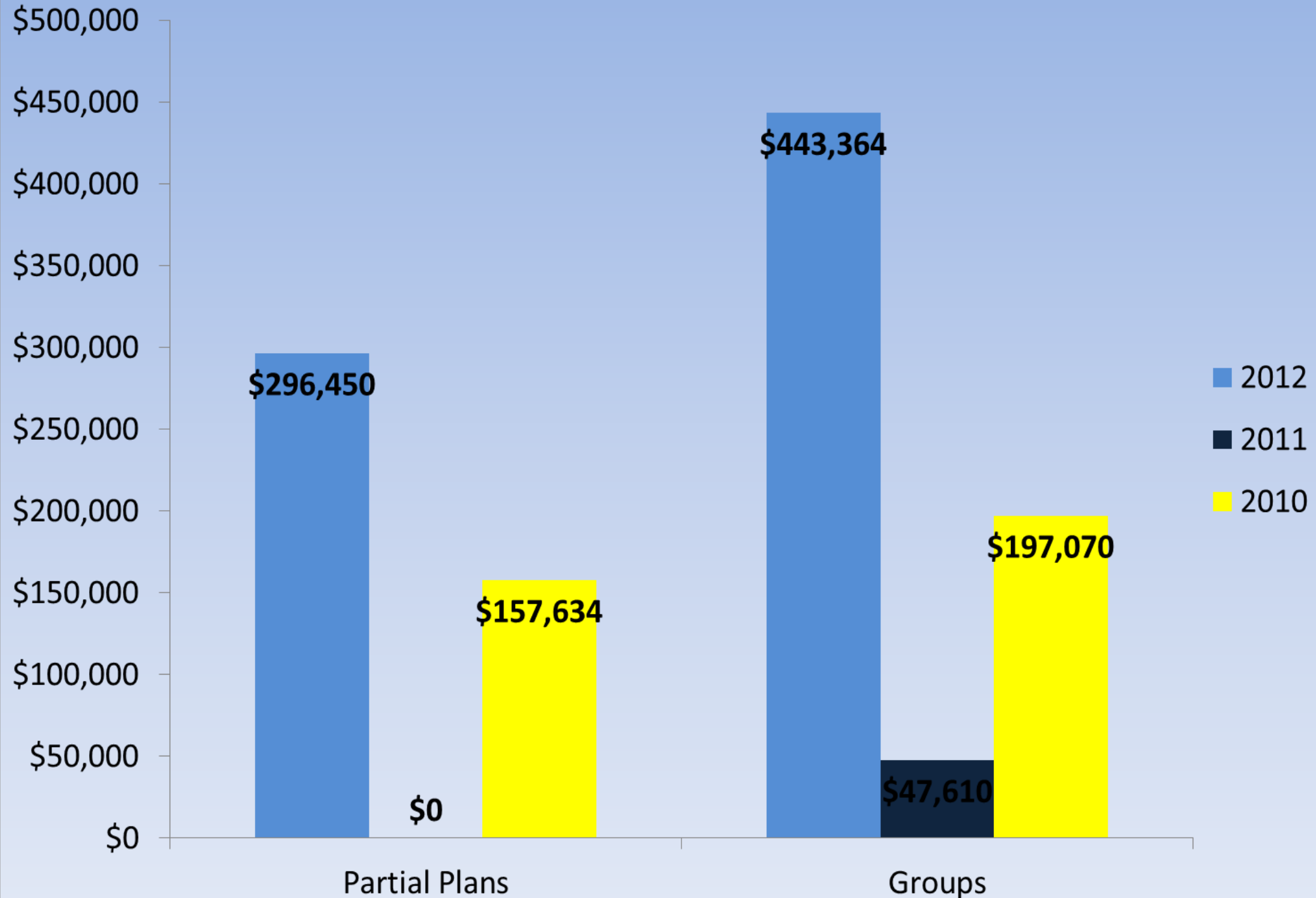


Football Outbound Season Ticket Sales



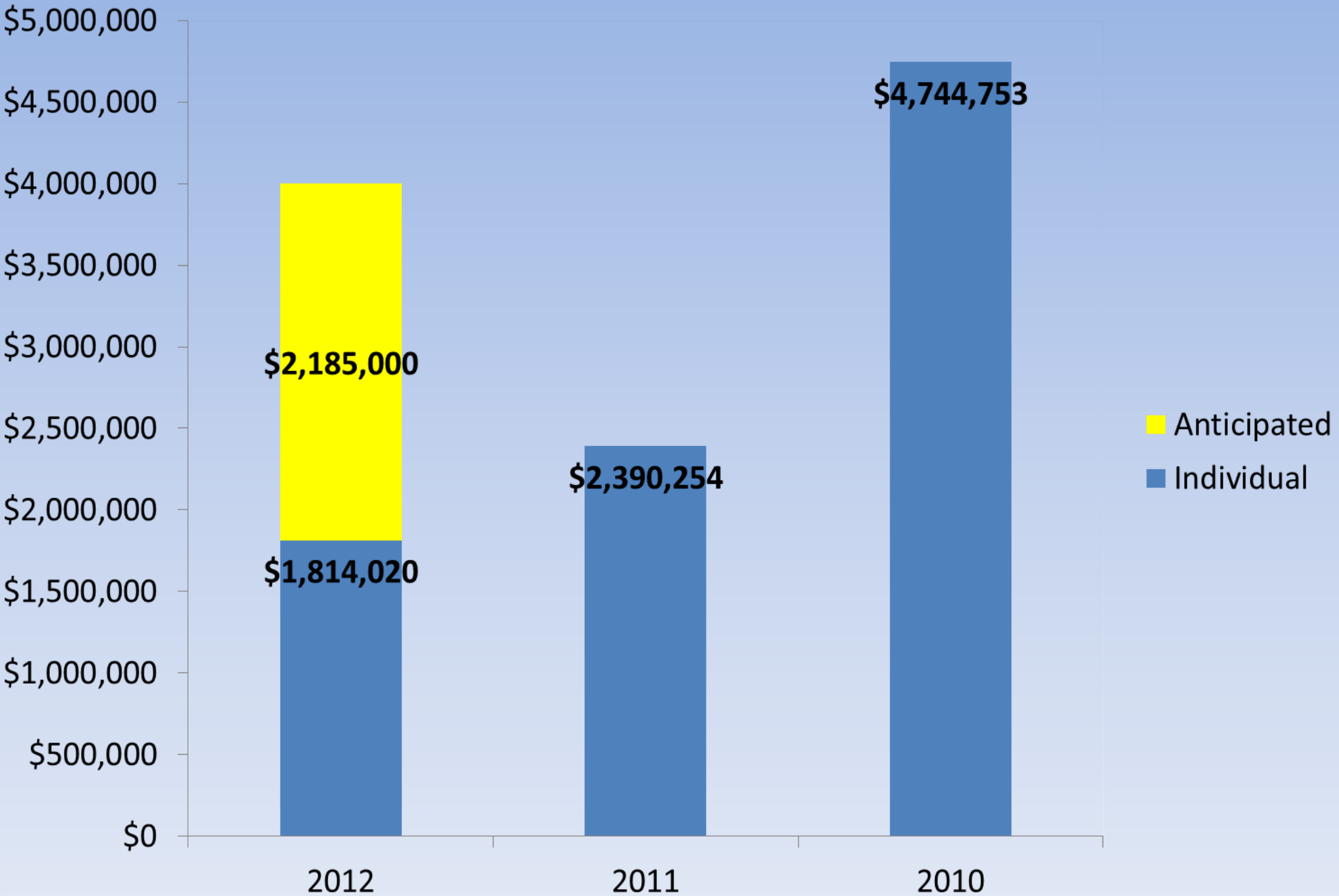


Football Group & Partial Sales





Football Individual Ticket Sales





Revenue

Football - \$8.7 million

Basketball - \$1.9 million

94% Renewal Rate

Calls Made

28,494

Activities Completed

36,449

Events

Reseat (Football) & Upgrade
Event (Men's Basketball)



Experience **PREMIUM**

ENDOWMENT SEATING PROGRAM

Premium/ESP

\$200,000 - Corporate Bundles

\$1,007,460 - 6 ESP Pledges

\$183,076 - Perk Offers

Calls Made

1,043

Appointments

23

Networking

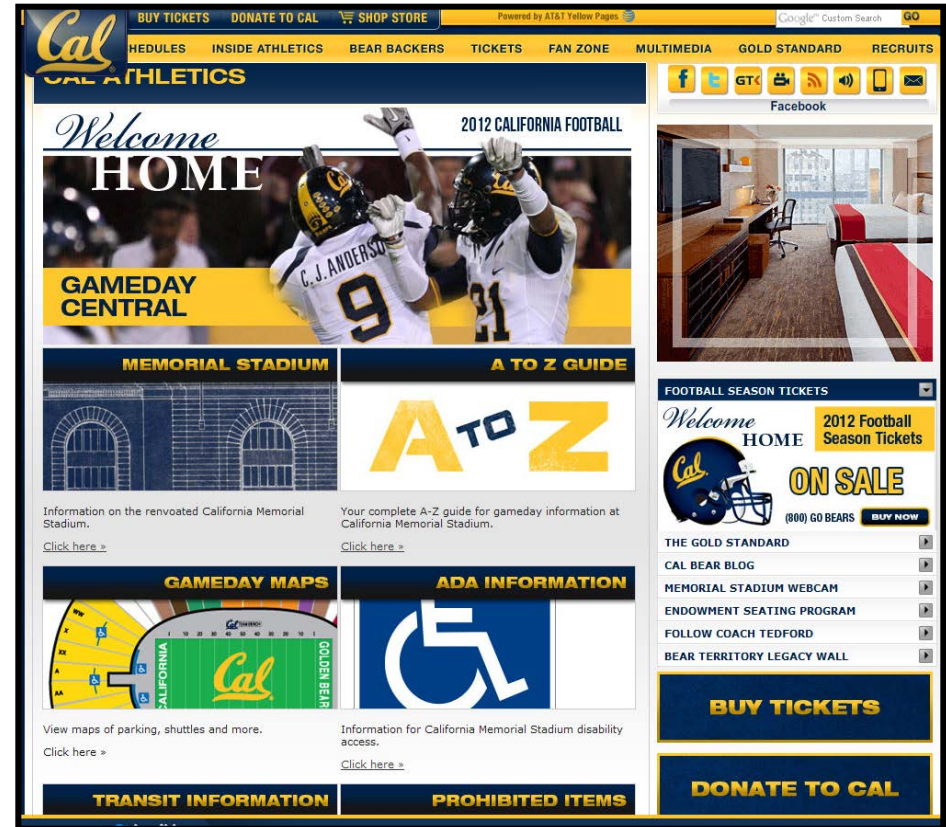
Chambers of Commerce, Revenue
Generation Committee, Club Level





- Our commitment to you, the fans, to ensure Cal is the best customer service partner possible, focusing on listening and building relationships
- Effective, proactive communication that is informative, transparent and timely
- A dedicated service specialist for all season ticket holders and donors
- Preservation of the history of this great institution and athletic programs

- “Welcome Home”
- “How can I help you?”
- Guest Service Booths
- Wow Moments
- Surveys



“Customer Service has definitely improved in the past year or so. I'd say it's comparable to any Fortune 500 company, something you don't expect from a college athletics department.”



Cal Adds Variety to Stadium Food – *SF Chronicle*

- Per caps north of \$5. Double to prior sales and Top 10 of BCS schools
- Diversified concessions menu with branded subcontractors
- Speed of Service while maintaining high quality is top priority
- Tailgate Town – big fan experience improvement over prior years
- Cal Catering service of Clubs and Special Events receiving excellent reviews





- AEG and Cal staff held a planning session and toured LA Live in July
- AEG staff were on site for mock game and the first home game. Provided analysis in event management, security, premium sales & needed facility improvements.
- AEG Real Estate Division visited the campus. Working on recommendation for retail and real estate development at CMS and other facilities.
- Potential Bookstore Partnership with ASUC?
- Reviewing potential Facility Naming Rights Strategies with AEG & Van Wagner

Cal[®]

CAL (43) – UCLA (17) 57,526 Attendance

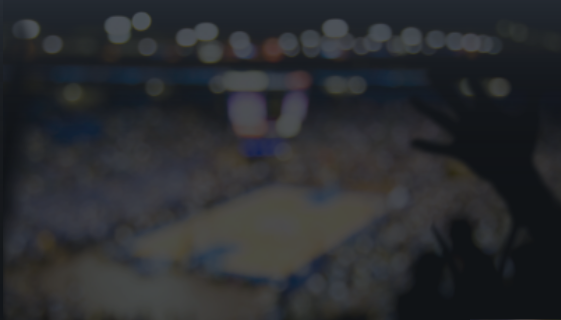


Cal Outbound Ripple Effect





*Our Daily Actions & Attitude will
Reflect the Excellence of the #1
Public University in the World!*



 **Navigate**SM

Navigate Services

MARKET RESEARCH

Quantifies changes in:

- Consumer behavior
- Attitudes

Analyzes perceptions related to your brand

Provides **actionable insights**

- Fan Attitudes and behavior
- Sponsorship Effectiveness
- Ticket Demand Assessment
- Employee Research

VALUATION

Measures:

- Media exposure
- Media equivalents
- Tangible & intangible sponsorship benefits

Provides an **un-biased fair market value** for sponsorship packages

- Includes:

Market Analysis

Industry Trends

SECONDARY RESEARCH

Gauges:

- Market share
- Demographics
- Brand preferences
- Consumer buying
- Competitor reviews

Evaluates market value and pricing through **existing research** to help you leverage your brand

- Includes:

Benchmarking

Best Practices



“Navigate has been a tremendous resource in providing industry intelligence that arms our sponsorship, sales, and business development teams with information to better serve current partners and target prospective clients.” *Alicia Rankin – Head of Research & Fan Insights*

***The Ohio State University & Huntington Bank
Campus Wide Partnership***



- OSU recently signed an exclusive 15-year partnership with Huntington Bank as the University's Official Consumer Bank.
- OSU will receive \$25 million + additional \$ from revenue sharing from Huntington
- Huntington is also committing \$100 million in dedicated community lending and investments to support the economic development of Columbus' University District and Near East Side.

*Campus-Wide Sponsorship Potential - *Category Estimates*

<u>BUSINESS CATEGORY</u>	<u>FEE - LOW END</u>	<u>FEE - HIGH END</u>	<u>AVG. ANNUAL FEE</u>
• Investing	\$500,000	\$8 million	\$4.25 million
• Technology	\$1 million	\$7 million	\$4 million
• Financial Services	\$1 million	\$5 million	\$3 million
• Apparel	\$1.5 million	\$4 million	\$2.75 million
• Beverage	\$800,000	\$4 million	\$2.4 million
• Energy / Utilities	\$500,000	\$4 million	\$2.25 million
• Insurance	\$500,000	\$3 million	\$1.75 million
• Airline	\$500,000	\$2 million	\$1.25 million
• Quick Service Rest.	\$500,000	\$2 million	\$1.25 million
• Shipping	\$500,000	\$2 million	\$1.25 million
• Snack Foods	\$500,000	\$2 million	\$1.25 million
• Wireless	\$200,000	\$2 million	\$1.1 million
• Lawn Care / Equipment	\$100,000	\$1 million	\$550,000
• Moving Services	\$100,000	\$1 million	\$550,000
TOTAL	\$8.2 million	\$47 million	\$27.6 million



College of Environmental Design

The Case of Wurster Hall's Café



CURRENT SITUATION

- 2,000 + sales/day during AY
- Food options limited
- Space with few amenities
- Dining hall-style service
- Major impacts on Wurster Hall maintenance
- CED community tends to avoid café
- No revenue to CED



PLANNING FOR CHANGE

- 2009: Redesigned café critical to CED culture
- 2010: Charrette with students, faculty, Cal Dining
- 2011: Vision for space/menu developed
- 2011: A&E studies of infrastructure costs
- 2012: Opportunity opened to third-party vendors
- Now: Finalizing partnership with vendor



THE NEW VISION

- Design:
 - ✓ new entry for Wurster
 - ✓ exterior wall opened to patio
 - ✓ ventilation and modern kitchen equipment
 - ✓ clean, modernist aesthetic
- Concept:
 - ✓ fresh, sustainable food
 - ✓ high quality coffees and teas
 - ✓ select beer and wine
- Delivery:
 - ✓ 'counter plus' system
 - ✓ outdoor cart
 - ✓ patio dining



DRAFT FINANCIAL MODEL

- TI financed via donors plus loans (versus investors)
- CED owns TI free and clear
- Tenant can pay more rent
- Expected gross revenue \$2.5-\$3m/year
- Revenue generation estimated at \$200-300K/year



LESSONS SO FAR

- Labor intensive
- A&E issues complex
- Need for risk capital
- Don't do it alone!



Revenue Generation



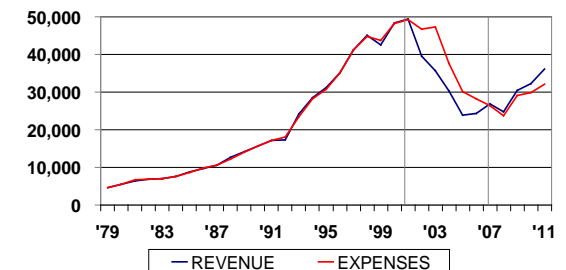
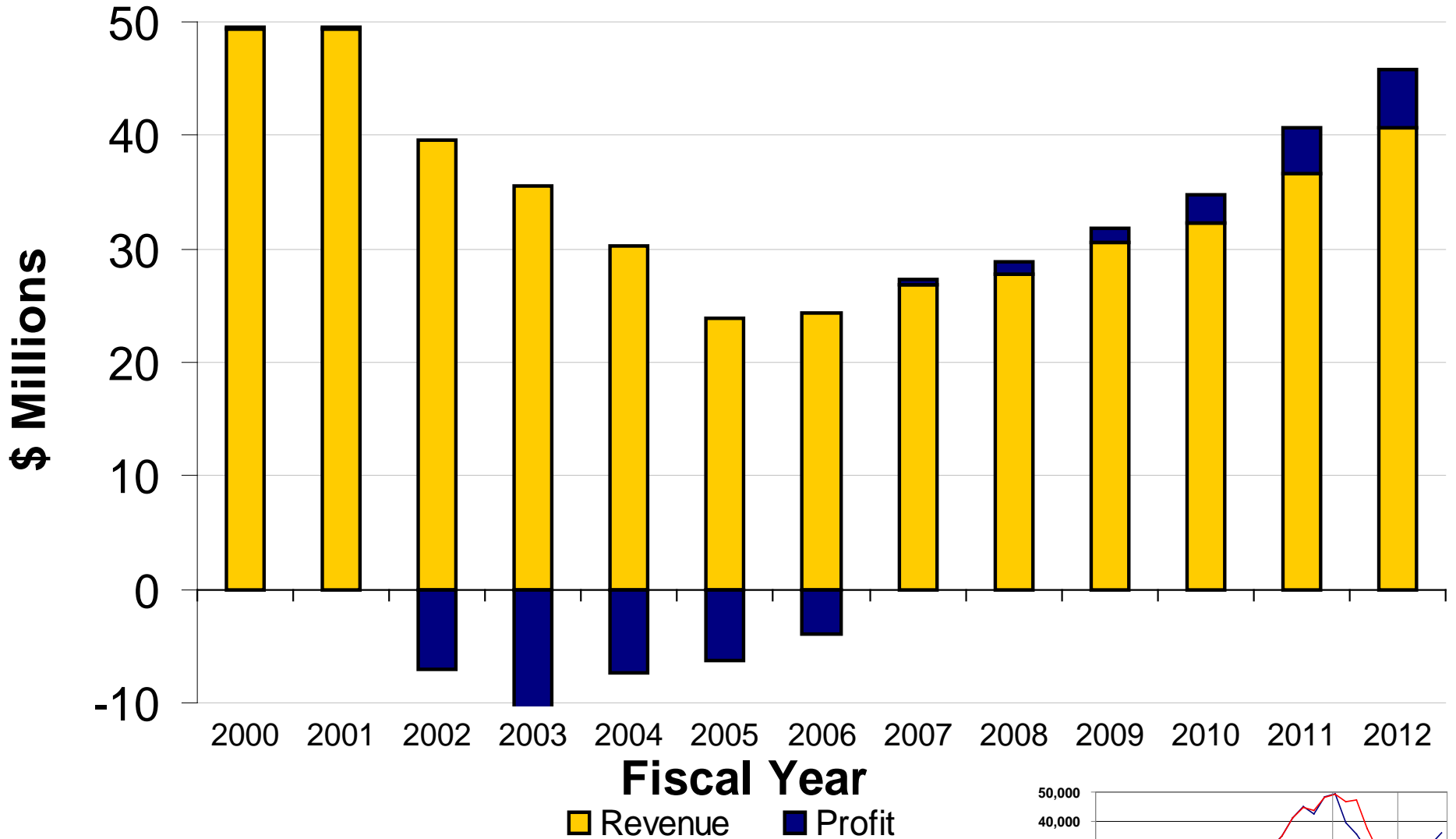
Symposium (October 15, 2012)



- UNEX Historical Performance
- Extension Business Plan
- Our Org Structure
- What Works for Extension
- Constant Feedback Loop
- Revenue Generation Ideas
- Issues to Consider

UNEX Historical Performance

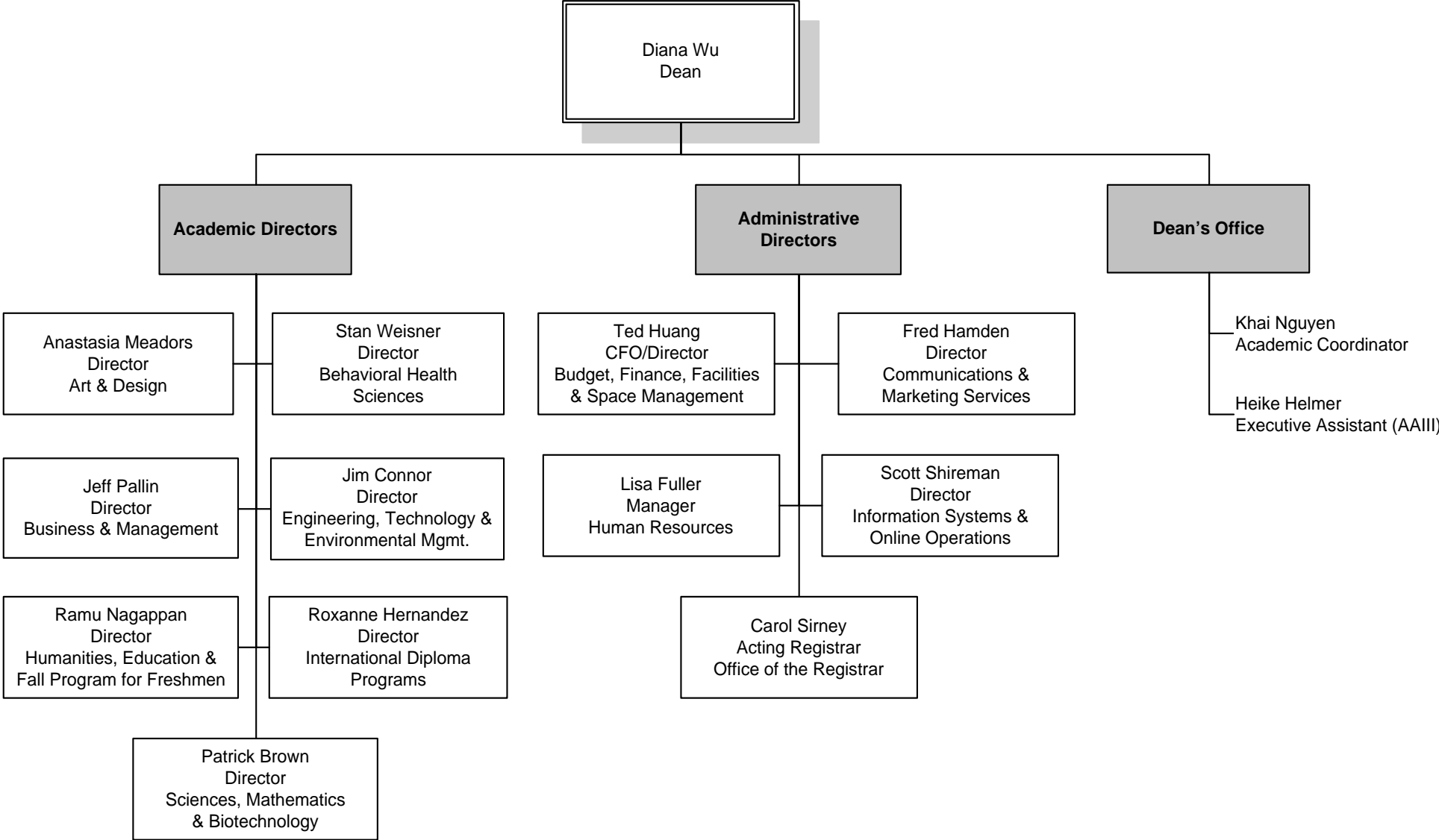
Here is a brief look at Extension's performance over the past 13 years.



Strategic Objectives (2007)

- Staffing
- International Markets
- Online Courses and Programs
- Corporate Training and Contract Education
- Self-Supporting Professional Master's Degrees

Our Org Structure



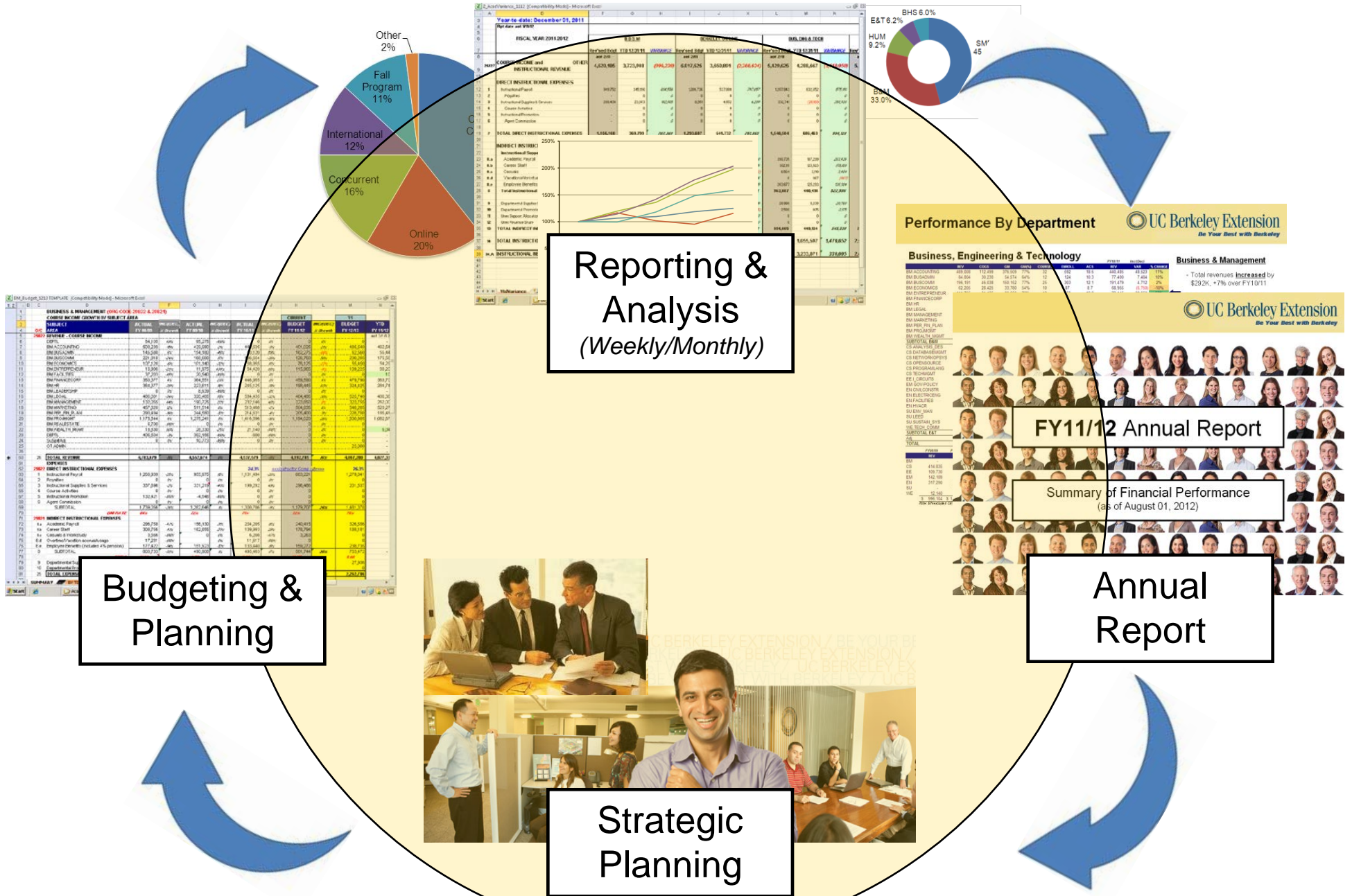
Keys to our success - Data Driven Decision-Making

- Bottoms-up Forecast – Academic & Admin Depts
- Financial Reporting & Analysis (“Feedback Loop”)
 - Annual Report
 - Monthly Revenue and Expense Report (variance)
 - Weekly Revenue, Course Enrollments & Cancellations
- Performance Metrics
 - Gross Margin, Avg. Class Size, Contribution Margin, Avg. Course Fee, Revenue by Subject Area, Annual Growth (%)
- Business Development – Creative Solutions
 - Financial Model, Business Contracts, Due Diligence
- Invest more on Academic Mission (hold admin costs)

Constant Feedback Loop



UC Berkeley Extension



Reporting & Analysis
(Weekly/Monthly)

Budgeting & Planning

Strategic Planning

Annual Report

Performance By Department UC Berkeley Extension

Business, Engineering & Technology
- Total revenues increased by \$29K, +7% over FY10/11

Business & Management



FY11/12 Annual Report

Summary of Financial Performance
(as of August 01, 2012)

“QUICK” START-UP

1. Concurrent Enrollment

- International Cohort Programs (themes) – Sociology, NTU

2. Lectures or Workshops

3. Summer Sessions

- Online Courses

4. Customized or Corporate Training

- Continuing Professional Education (online/onsite)

5. Self-Supporting Degrees

- Online or Hybrid programs
- Stackable certificate programs

LONGER-TERM



- **Course Development**
 - Subject Matter Expertise
 - Instructor Compensation
 - Intellectual Property
 - Academic Approval
- **Audience**
 - Marketing, Recruitment, and Advising
 - Pricing & Payment
 - Delivery (Online, In-class, Off-site, Hybrid)
- **Contract Negotiation and Approval**
- **Student Support Services**
 - Registrar (transcripts for CEU's, academic credit)
 - International Student Support (visas, housing, insurance, internships)
 - Student Information System, Databases, Learning Management System