

**BOARD OF TRUSTEES
INTERCOLLEGIATE ATHLETICS SUBCOMMITTEE
Delores E. Crawford, Chair
David C. Deibel, Vice Chair
All Trustees are Members
Cynthia E. Anderson, *Ex-Officio***

**Thursday, May 30, 2013
2:00 p.m. or immediately following
previous meeting**

**Tod Hall
Board Meeting Room**

AGENDA

- A. Disposition of Minutes for Meetings Held November 29, 2012; and February 21, 2013**
- B. Old Business**
- C. Subcommittee Item**
 - 1. Athletics**
 - a. Discussion Items**
 - 1) Fiscal Year 2011-12 Financial Analysis of Benchmark Institutions** **Tab 1**
Ronald Strollo, Executive Director of Athletics, will report.
 - 2) IMG Sales Analysis Executive Summary** **Tab 2**
Ronald Strollo, Executive Director of Athletics, will report.
 - 3) Conference Realignment**
Ronald Strollo, Executive Director of Athletics, will report.
- D. New Business**
- E. Adjournment**

YOUNGSTOWN STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS
2011-12 FINANCIAL ANALYSIS
EXPENDITURES

MISSOURI VALLEY CONFERENCE / MVFC

	# of Full-time Undergrads	Men's Basketball Expenses	Women's Basketball Expenses	Football Expenses	Total Expenses
<i>Average</i>	12,472	2,060,252	1,121,841	3,041,404	15,787,215
<i>Median</i>	13,027	2,063,684	1,124,184	3,166,886	14,632,492
YSU	10,285	1,075,158	830,397	3,434,264	12,546,717

MID AMERICAN CONFERENCE

	# of Full-time Undergrads	Men's Basketball Expenses	Women's Basketball Expenses	Football Expenses	Total Expenses
<i>Average</i>	16,045	1,770,226	1,289,610	6,170,122	23,460,720
<i>Median</i>	16,574	1,705,893	1,240,382	6,026,686	24,123,997
YSU	10,285	1,075,158	830,397	3,434,264	12,546,717

HORIZON LEAGUE

	# of Full-time Undergrads	Men's Basketball Expenses	Women's Basketball Expenses	Total Expenses	League Sponsored Sports
<i>Average</i>	8,693	2,167,666	1,230,404	11,410,130	7,522,116
<i>Median</i>	8,230	2,050,389	1,241,139	11,780,711	7,418,415
YSU	10,285	1,075,158	830,397	12,546,717	5,686,089

YOUNGSTOWN STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS
2011-12 FINANCIAL ANALYSIS
REVENUES

MISSOURI VALLEY CONFERENCE / MVFC

	# of Full-time Undergrads	Total Football Expenses	Total Earned Football Revenue	% of Earned Income vs. Total Expenses	Total Institutional Investment
<i>Average</i>	11,416	2,998,309	1,142,391	38%	1,855,917
<i>Median</i>	10,412	3,096,698	1,077,816	35%	2,018,882
Youngstown St.	10,285	3,434,264	1,544,884	45%	1,889,380

HORIZON LEAGUE – MEN'S BASKETBALL

	# of Full-time Undergrads	Total Men's Basketball Expenses	Total Earned Men's Basketball Revenue	% of Earned Income vs. Total Expenses	Total Institutional Investment
<i>Average</i>	9,860	1,974,619	581,743	29%	1,392,876
<i>Median</i>	8,578	1,962,704	579,047	30%	1,383,657
Youngstown St.	10,285	1,075,158	381,873	36%	693,285

HORIZON LEAGUE - TOTAL

	# of Full-time Undergrads	Total Athletically Generated Revenue	Total Expenses	% of Income vs. Total Expenses	Total Institutional Investment
<i>Average</i>	9,860	2,306,281	11,980,593	19%	9,674,312
<i>Median</i>	8,578	2,110,627	12,601,936	17%	10,491,309
Youngstown St.	10,285	3,946,791	12,546,718	31%	8,599,927

YOUNGSTOWN STATE CORPORATE PARTNERSHIP PROGRAM ANALYSIS

IMG COLLEGE

- » ABOUT IMG COLLEGE. IMG College is America's leading collegiate multimedia, marketing and licensing/brand management company, representing more than 200 of the nation's top collegiate properties including the NCAA and its 89 championships, NCAA Football, leading conferences, and many of the most prestigious colleges and universities in the country.



CORPORATE PARTNERSHIP PROGRAM ANALYSIS

- » OBJECTIVE. IMG was hired by Youngstown State to analyze current business practices in order to recognize areas of improvement, and to provide recommendations to increase efficiency and grow sponsorship revenues. This was accomplished by IMG through the utilization of IMG College's breadth of experience in collegiate marketing/sales to compare revenue and inventory at Youngstown State to like properties and to create an analysis of current and historical revenue data. IMG also conducted interviews with athletic department staff and sponsors to aid in the creation of this report.

FINDINGS

- » After an in-depth analysis of the Youngstown State Corporate Partnership Program, IMG identified the following strengths and challenges within the YSU athletic department:

Strengths

Steady Growth - Youngstown State athletics has continued to grow revenue since 1997-98 fiscal year. The athletic department has averaged a 6% year over year growth in sponsorship revenues.

Sales Culture - The Youngstown Athletic department has an "all-hands-on-deck" sales team. Throughout the department, all staff incorporates sales into their daily responsibilities

Longevity of Staff- Most YSU staff member has been employed by the university for an average of 6 years, allowing them to form strong lasting relationship with their clients and the community.

Market Access - YSU is integrated into the downtown Youngstown area, making them a powerful marketing arm in the community and an attractive fan base to potential clients in the tri-county area.

The Only Game In Town - YSU athletics are the only games in town baring the minor league baseball and hockey.

Sponsorship Assets - Youngstown State facilities are top notch, matching the facility offerings of many larger schools in football and indoor practice facilities.

Challenges

Sales Cycle - YSU athletic department functions with less staff where each member has multiple roles and responsibilities, this causes the sales cycle to be dramatically shorter for YSU due to lack of focus.

Sales Training- Despite many of the sales people having spent over 6 years working for Youngstown State athletics, most have had little to no formal sales training.

Unclear Chain of Command- Due to multiple employees within the athletic department incorporating sales into their job responsibilities there is a lack of a clear chain of command and sales focus.

Individual Sales Goals - Clear sales goals and objectives have not been set for all sales staff to allow for tracking and pacing throughout the year.

Outside Market Sales - Most of the YSU clients are located in the YSU DMA, less than 10% of the YSU athletics sponsors are from outside the Youngstown tricounty area.

Need to Diversify Revenue - Print is by far the most lucrative and powerful revenue stream in YSU athletics, but across the country schools are moving from print to other assets.

RECOMMENDATIONS

IMG makes the following recommendations to increase efficiency and grow sponsorship revenues with the YSU athletic department:

- » **SALES MANAGEMENT/STRUCTURE.** Develop and institute a new organizational structure within the athletic department to allow for less sharing of job responsibilities. To allow for increased focus on sales within the athletic department.
- » **ADDITIONAL SALES TRAINING.** Additional sales training will provide the YSU sales staff with a more organized and effective sales plan to generate incremental revenues and grow the YSU athletics program. Training should focus on multi-year contracts and conceptual sales, and how to sell unique assets (i.e. promotions, signage, digital and official designation/ use of marks).
- » **COLLABORATION WITH UNIVERSITY.** We recommend establishing a monthly planning meeting between AD External and University marketing staff. A closer relationship with the university can provide access to vendor lists and incorporation in the RFP processes. An additional meeting with the purchasing department is also recommended as a method of prospecting.
- » **NEW INVENTORY.** We recommend adding new inventory for sale within the various athletic venues on campus. A new basketball video board is imperative to the enhancement and growth of the game-day experience within Beeghly Center, in addition to providing new highly visible and desirable inventory for sponsors. New inventory generates excitement in the community and can be utilized to upsell existing sponsors and engage new sponsors.
- » **SALES INCENTIVES.** By offering compensation or incentives to encourage staff to strive to meet sales goals, will keep staff motivated and engaged throughout the year. Staff is more likely to drive incremental revenues if they feel they are rewarded and recognized for their efforts.
- » **SALES FOCUS/ DEDICATED SALES STAFF.** YSU can provide focus and relieve pressure on existing staff by hiring an additional staff member to focus solely on sales. An additional seller will allow YSU to lengthen their sales cycle, accommodate larger sponsors, and take advantage of incremental revenues currently being missed because of a shift in focus by sellers to other responsibilities outside of sales. In comparison to your peer group, as chosen by IMG, YSU has zero dedicated full-time sellers while the average property has 2 full-time sellers dedicated to athletic corporate sponsorship sales.

COST BENEFIT ANALYSIS:

- » All IMG changes can be accomplished without incurring additional expenses except "Sales Focus/ Dedicated Sales Staff". Please reference below pro forma for projected costs associated with hiring an additional staff member.

Costs

- Recruiting and Training new hire
- Additional salary and benefits associated with a new hire

Benefits

- An additional seller will allow YSU to lengthen their sales cycle to become a year round process
- Allow for YSU athletics to accommodate larger sponsors who budget revenues 9 to 18 months out
- Will facilitate less sharing of job responsibilities by removing sales responsibilities from other staff members
- Revenue growth due to increased focus and commitment



**Youngstown State Proforma
May 2013**

	Actual 2012/13	Year 1 2013/14	Year 2 2014/15	Year 3 2015/16	Year 4 2016/17	Year 5 2017/18	TOTAL
REVENUE							
Corporate Partnership Revenue	\$ 519,000	\$ 596,850	\$ 671,456	\$ 738,602	\$ 812,462	\$ 873,397	\$ 3,692,767
TOTAL REVENUE	\$ 519,000	\$ 596,850	\$ 671,456	\$ 738,602	\$ 812,462	\$ 873,397	\$ 3,692,767
REV GROWTH %: *		1.150	1.125	1.100	1.100	1.075	
REVENUE GROWTH:		\$ 77,850	\$ 74,606	\$ 67,146	\$ 73,860	\$ 60,935	
OPERATING EXPENSES							
Salaries (2% growth)	\$ -	\$ 45,000	\$ 45,900	\$ 46,818	\$ 47,754	\$ 48,709	\$ 234,182
Fringe Benefits (34% of salary)	\$ -	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236	\$ 16,561	\$ 79,622
TOTAL OPERATING EXPENSES	\$ -	\$ 60,300	\$ 61,506	\$ 62,736	\$ 63,991	\$ 65,271	\$ 313,804
Income / (Loss)		\$ 536,550	\$ 609,950	\$ 675,866	\$ 748,471	\$ 808,126	\$ 3,378,963
Net YOY Growth		\$ 17,550	\$ 73,400	\$ 65,916	\$ 72,605	\$ 59,655	
YSU Aggregate Growth		\$ 17,550	\$ 90,950	\$ 156,866	\$ 229,471	\$ 289,126	\$ 783,963

*Feel this is a conservative growth percentage, given that IMG YOY growth goal as a company for 2013 is over 20%