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!”
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

2012
- Donation: $8,250,806
- FSE Sales: $6,123,242
- Total: $30,357

2011
- Donation: $6,507,070
- FSE Sales: $4,776,879
- Total: $20,878

2010
- Donation: $2,238,014
- FSE Sales: $6,625,595
- Total: $30,099
Football Group & Partial Sales

Partial Plans:
- 2012: $296,450
- 2010: $0

Groups:
- 2012: $443,364
- 2011: $47,610
- 2010: $197,070
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)
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
Football Ticket Tactics

Cal

BIGGAME

StubHub!

QCUE
• 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.”

Corporate Communications
Southern California Edison
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 (43) – UCLA (17) 57,526 Attendance
Our Daily Actions & Attitude will Reflect the Excellence of the #1 Public University in the World!
Navigate Services

**MARKET RESEARCH**

Quantifies changes in:
- Consumer behavior
- Attitudes

Analyzes perceptions related to your brand

Provides actionable insights

**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

**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**

**Employee Research**

“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.
<table>
<thead>
<tr>
<th>BUSINESS CATEGORY</th>
<th>FEE - LOW END</th>
<th>FEE - HIGH END</th>
<th>AVG. ANNUAL FEE</th>
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<tr>
<td>Investing</td>
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<td>Financial Services</td>
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<td>Apparel</td>
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<td>Beverage</td>
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<td>Energy / Utilities</td>
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<td>TOTAL</td>
<td>$8.2 million</td>
<td>$47 million</td>
<td>$27.6 million</td>
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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!
Contents

- UNEX Historical Performance
- Extension Business Plan
- Our Org Structure
- What Works for Extension
- Constant Feedback Loop
- Revenue Generation Ideas
- Issues to Consider
Here is a brief look at Extension’s performance over the past 13 years.

UNEX Historical Performance
Strategic Objectives (2007)

• Staffing
• International Markets
• Online Courses and Programs
• Corporate Training and Contract Education
• Self-Supporting Professional Master’s Degrees
What Works for Extension

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

- Budgeting & Planning
- Strategic Planning
- Reporting & Analysis (Weekly/Monthly)
- Annual Report

UC Berkeley Extension
Revenue Generation Ideas

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
Issues to Consider

• **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