



Division III  
DISCOVER | DEVELOP | DEDICATE

# THE ATHLETICS PROGRAM IN TRANSITION

## *Adding and Dropping Sports and Other Changes*

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# PRESENTED BY NADIIIAA



**Moderator: Donnie Brooks** — Macalester College — *Director of Athletics*

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# PANELISTS

- **Tiffany Franks**— Averett University  
*President*
- **Ken Shuman**— Pacific University  
*Director of Athletics*
- **Amy Weaver** — Hendrix College  
*Director of Athletics, Wellness and Recreation/Head Softball Coach*
- **Matt Land**— Trine University  
*Director of Athletics/Assistant Vice President for Athletics*
- **Maria Buckel**— Fontbonne University  
*Director of Athletics*



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# OVERVIEW

- **WHY IS EXPANSION IMPORTANT**  
*LESSONS LEARNED START TO FINISH*
- **IT'S A BUSINESS DECISION**  
*BUSINESS PLAN AND MODELING*
- **A FOOTBALL STORY**  
*THE 20-MONTH PROCESS*
- **ESPORTS**  
*THE WILD, WILD WEST, OR THE NEW FRONTIER*
- **GAINING INSTITUTIONAL SUPPORT THRU ADDING SPORTS**  
*THE TIPPING POINT: WHEN TO REINVEST AND WHEN TO CUT YOUR LOSSES*



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# A PRESIDENT'S PERSPECTIVE

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- **Why Expansion is Important**
  - **Lessons Learned**
    - **The Plan**

# Why Expansion is Important

- Mission.
- Enrollment Growth.
- Positively Change the Profile of Your Institution.

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# Lessons Learned

- Research.
- Good Business Sense.
- Clarity of Purpose and Plan.
- University-Wide Commitment and Investment.
- Importance of Glide Path.

# Lessons Learned

- Value of Multiple Perspectives.
- Stress on Institutional Capacity.
- Embrace Uniqueness.
- Sound Business Plan.
- Boost to the Institution.

# The Plan

- A Competitive Analysis.
- Financial Analysis.
  - Pro Forma Worksheet.

# The Plan

## Financial Analysis

- Net Revenue from Unduplicated New Students.
- Start-Up Expenses.
- Remodeling of Space for Practice/Competition.
- Operating Expenses.
- Team Travel and Transportation.
- Capital Facilities' Expenses.
- Support Personnel.
- Equipment and Storage.
- Insurance.

# ATHLETICS AS A STRATEGY FOR INSTITUTIONAL GROWTH IN DIVISION III

***IT'S A BUSINESS DECISION!***

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# PACIFIC UNIVERSITY (OREGON) BACKGROUND:

- In 2005 the University completed a strategic plan which outlined a goal of increasing enrollment from 1,125 students in the undergraduate college to 2,000 undergraduate students by 2020.
- The Athletic program was an area which was identified to assist the undergraduate college in achieving the 2020 enrollment goal.

- In the 2004-05 academic year the athletics program at Pacific had 269 student-athletes competing in 18 varsity programs.
- After implementing growth initiatives, the athletic program at Pacific expanded to 618 student-athlete participants in 24 varsity intercollegiate programs and 7 junior varsity programs. The undergraduate College of Arts & Sciences enrollment has increased to 1,904 students. Growth in athletics has accounted for approximately 45% of the growth of the undergraduate college.

# **ATHLETICS GROWTH MODEL AT PACIFIC HAS INVOLVED THESE STRATEGIES**

- Addition of varsity intercollegiate programs.
- Addition of junior varsity (JV) programs.
- Expand existing programs which can accommodate large roster sizes.



# PACIFIC UNIVERSITY

## SPORT PROGRAM GROWTH TIMELINE

2005-06	Men's Swimming.
2006-07	Women's Lacrosse.
2009-10	Football.
2012-13	JV Men's Basketball, JV Women's Basketball, JV Baseball, JV Softball.
2013-14	Women's Rowing, Men's and Women's Indoor Track & Field.
2014-15	JV Men's Soccer, JV Women's Soccer, JV Volleyball.
2017-18	Expansion of Men's and Women's Track & Field Programs.

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# THE RATIONALE FOR USING ATHLETICS AS A STRATEGY TO GROW INSTITUTIONAL ENROLLMENT:

- Many institutions in NCAA Division III without large endowments are tuition-driven. Growth is important for these institutions to survive and thrive.
- Since the NCAA Division III athletic program model is non-scholarship, student-athletes recruited to the institution generate revenue for the institution in the same way as non-student athletes.
- Leverage additional recruiters (coaches) as an extension of the admissions staff.
- The vast majority of student-athletes recruited by coaches to participate in intercollegiate athletics are students who would not otherwise attend the institution.

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# THE BUSINESS PLAN

## REVENUE AND EXPENSE FORMULA FOR ATHLETICS ENROLLMENT INITIATIVES

### REVENUE

- Tuition and fees x Number of student-athletes.
- Room and Board x Estimate of number of student-athletes who will stay in campus housing.

### EXPENSE

- Financial Aid Discount.
- Cost to Educate.
- Indirect Overhead (Support Services).
- Cost of the Program (Salaries, Budget Pool, Recruiting).

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# THE BUSINESS PLAN

## REVENUE AND EXPENSE FORMULA FOR ATHLETICS ENROLLMENT INITIATIVES

EXPENSE cont.

- Cost of the Program (Salaries, Budget Pool, Recruiting).
- Indirect Departmental Expense (Athletic Training, Sports Information, Athletic Administration, Insurance).
- Capital Expense.
- Contractual Expense.

Gross Margin (Net Revenue-Expenses).

Overall Net Margin (Net Revenue-Expenses-Indirect Overhead).

Cumulative Overall Net Margin (Net Margin over 5 years).

THE REVENUE AND EXPENSE FORMULA SHOULD REFLECT A POSITIVE NET MARGIN FOR THE INSTITUTION.

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# BUSINESS PLAN NARRATIVE

- Executive Summary.
- Enrollment Potential/Roster Size/Retention Plan.
  - Target number of student-athletes to be recruited in each recruiting cycle of the 5-year plan.
  - Demographics of student-athletes.
  - Target Roster Size (Particularly for programs that can carry large numbers).
  - Initiatives to retain these new student-athletes.

# BUSINESS PLAN NARRATIVE

- Competitive Landscape.
  - NCAA Sponsored or Emerging Sport.
  - Conference Sponsored Sport.
  - Division III Regional Opponents.
  - Sample Schedule.
- Title IX Impacts.
  - How will the initiative enhance the commitment of the University/ Athletic Department to Title IX guidelines.
  - Plan to track Title IX impacts.

# BUSINESS PLAN NARRATIVE (CONT.)

- Academic Performance Expectations.
  - Compare the academic performance of student-athletes in the new initiative to current student-athlete performance across the department.
  - Compare new initiative academic performance to the general student body.
  - Expectation generally is that student-athlete academic performance is higher.
- Facility/Staff Impacts.
  - Impact of the initiative on current facilities.
  - New or enhanced facilities need to support initiative.

# BUSINESS PLAN NARRATIVE (CONT.)

- Facility/Staff Impacts cont.
  - Impacts on current sport programs (practice schedules).
  - Impacts to staff (Athletic Training, Sports Information, Facilities and Other).
- Measurements of Success.
  - Recruitment & retention goals achieved.
  - Academic performance goals achieved.
  - Competitive success goals achieved.
  - Facility/Staff impacts mitigated.
  - Positive integration with current sport programs.

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# BUSINESS PLAN NARRATIVE *(CONT.)*

- Assessment of Business Plan Recruitment.
  - Monthly recruiting reports.
  - Number of active recruits.
  - Number of applications submitted.
  - Number of admitted student-athletes.
  - Number of student-athletes who have deposited.
- Exit Strategy Benchmarks.
  - Unable to achieve recruitment goals for the program.
  - Net negative revenue for the institution at the completion of the business plan.
  - Program not competitive with conference competitors after 5 years.
  - Outline plan to exit based on your institutions governance structure.

**DIVISION III UNIVERSITY  
BUSINESS PLAN REVENUE AND EXPENSE SUMMARY  
WOMEN'S LACROSSE**

	YEAR 0		YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
<b>TOTAL REVENUES</b>	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE
STUDENT-ATHLETES x \$45,000 TUITION & FEES	0	0	20	\$900,000	15	\$705,000	10	\$500,000	10	\$520,000	10	\$540,000
12 STUDENTS ROOM & BOARD-NET PER YEAR				\$144,000		\$150,000		\$156,000		\$162,000		\$168,000
FINANCIAL AID DISCOUNT 50%				(\$450,000)		(\$352,500)		(\$250,000)		(\$260,000)		(\$270,000)
<b>TOTAL NET REVENUE:</b>		0		\$594,000		\$502,500		\$406,000		\$422,000		\$438,000
<b>EXPENSES</b>	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE	FTE	TOTAL REVENUE
PAYROLL	1.25	\$88,000		\$90,500		\$93,500		\$96,500		\$99,500		\$103,000
CONTRACTUAL		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000		\$10,000
BUDGET POOL		\$20,000		\$50,000		\$50,000		\$55,000		\$55,000		\$60,000
CAPITAL		\$150,000		0		0		0		0		0
COST TO EDUCATE 40% OF NET TUITION REVENUE		0		\$180,000		\$140,800		\$100,000		\$104,000		\$108,000
GROSS MARGIN (NET REV+EXP)		(\$268,000)		\$255,500		\$208,200		\$144,500		\$153,500		\$157,000
OVERHEAD COST ALLOCATION 20%		(\$23,600)		(\$30,100)		(\$30,700)		(\$32,300)		(\$32,900)		(\$33,000)
<b>OVERALL NET MARGIN</b>		(\$291,600)		\$225,400		\$177,500		\$112,200		\$120,600		\$124,000
<b>CUMULATIVE NET MARGIN</b>		(\$291,600)		(\$66,200)		\$111,300		\$223,500		\$344,100		\$468,100

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# ESPORTS

## *THE NEW PLAYING FIELD!*

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# What Are Esports?

- If I said:  
*“Coaches, Assistant Coaches, Practice, Positions, Film Breakdown, Opponent tendencies, Strategy, Statistical Analysis, Execution, and Competition!”*
- What would you say?

# Program Overview

- Trine University.
  - Competed in 2017- 24/62.
  - 2018 Year 2- 28/82.
  - Director of Esports-Alex Goplin.
  - \$2,000 Activity Award.
  - 99% ROI.



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# Facility



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# Where to begin?

- Scale- How big do you want the program?
- Space- Where? How many machines?
- Support- Does the institution believe in esports?
- Report- What department will it fit best?
- Funding- At what level will you support esports?

# Next Steps...Decision Time!

1. Staffing — Director, In-House or Virtual Coaches?
2. What games will you compete in?
  - What are your students already competing/playing on campus?
  - Competitive Collegiate offerings? (NACe, Tespa, CSL etc.)



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# Next Steps...Decision Time!

3. How many teams for each game?
  - Students will self-select
  - Players specialize in ONE game!
4. Set a Recruiting Goal!
  - Just like any other team in the Athletics Department!
5. Develop a budget! Strong ROI.

# Future of Esports

## Growth and Structure.

- Exponential growth.
  - 1 team in 2014, 125+ in 2018.
- More structure in the future!
- Increase in competition options!
- Becoming more mainstream each day!



# Esports are Flexible and Sustainable!

- Games — Ever changing selection.
  - Your program can specialize in one game or field teams in multiple games.
- Number of students or teams for each game.
- Esports interest is growing as we speak! FAST!

# Esports: Value Added!

Esports are a different demographic for an Athletics Department!

- E'sprit d'corps- Gives group an identity.
- High Retention rates
- Increased Social activity
- Team building!

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# WHEN TO REINVEST AND WHEN TO CUT YOUR LOSSES

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# Reinvest or Bail

- Assessment of roster size.
- Examine potential barriers to recruitment and retention and if they can be reduced or eliminated.
- Project success rate and sustainability.
- Determine return on investment tipping point.
- Decide and communicate.

# **GAINING INSTITUTIONAL SUPPORT BY ADDING SPORTS**

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# The Benefits of Adding Sports

- Opportunities for student-athletes.
- Leverage based on net revenue.
  - Budget.
  - Staffing.
- Support the institution financially.



# QUESTIONS ???



## CONCLUDING REMARKS

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