

Supervising Auxiliary Operations

Presented by:

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SESSION OVERVIEW

- *Auxiliary Services: A Definition*
- *General Perspectives*
- *Key Auxiliary Entities/Operations*
- *Management Issues*
- *Resources*



The Random House Definition

Auxiliary:

1. ***Subsidiary; additional; supplementary***
2. ***Used as a reserve (auxiliary engine)***
3. ***Giving Support; serving as an aid; helpful***



The Random House Definition

Service:

- 1. The performance of any duties or work for another; helpful or professional activity***
- 2. Something made or done by a commercial organization for the public benefit and without regard to direct profit***
- 3. The mating of a female animal with the male***



Auxiliary Services

A WORKING DEFINITION

Departments or Operations that provide additional or supplemental support for the benefit of the campus without regard to direct profit



General Perspectives

Traditional Roles of Campus Auxiliaries

- Shield against liability
- Enhance Budgetary Flexibility
- Avoid Spending Restrictions
- Accumulate Reserves-Cash Cow
- Add Debt Capacity



Auxiliary Funds

- It is a unique fund, separate from the college's other funds.
- It is used to account for:
 - Bookstore operations ***
 - Vending ***
 - Food Service ***
 - Student Centers
 - And any related debt



Today's Students

- ✓ Students are mature consumers when they arrive at our doors. Today's students seek out what they want.
- ✓ They will not be happy with the traditional shopping experience.
- ✓ They demand greater value for their dollars---particularly with books and food.



Campus Bookstore

- Bookstore vs. Campus Store concept
- Retailing concepts critical to success
- Understanding retail mathematics including inventory turns, ROI
- Understanding product margins and marketplace demands
- Evaluation of efforts; sales/sq..ft.
- Retail accounting Methods



Campus Store

- ✓ To Lease or Not to Lease
- ✓ E-Commerce
- ✓ Customer Service/Relationship Building
- ✓ Strategic Vendor Partnerships
- ✓ National Buying Groups
- ✓ The Right POS Solution
- ✓ Involvement with faculty **CRITICAL** to success



Campus Store

- ✓ Requisition Reward Programs
- ✓ Meeting the Campus Needs-are we really doing it? Assessment...more to come
- ✓ Budget and Business Plans
- ✓ Textbook Pricing Surveys Essential
- ✓ Partnership with Student Services
- ✓ Active Members of the community

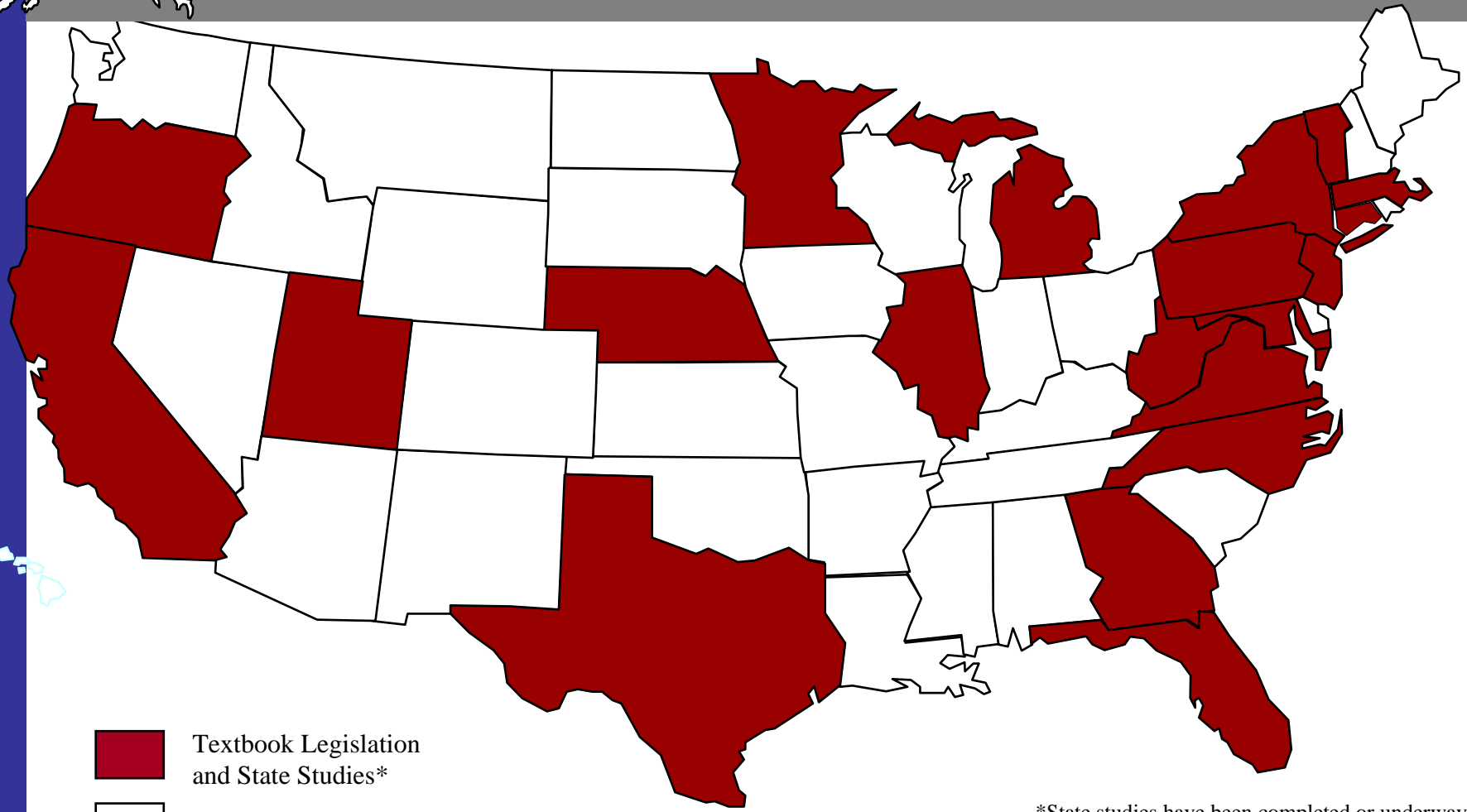


Campus Store

- 2003-2009: Textbook Issues on the front page!
- Cost of Textbooks—national concern; effect on community colleges vs. 4 year colleges.
- Legislation-State and Federal ***
- Rental Programs/Digital Textbooks



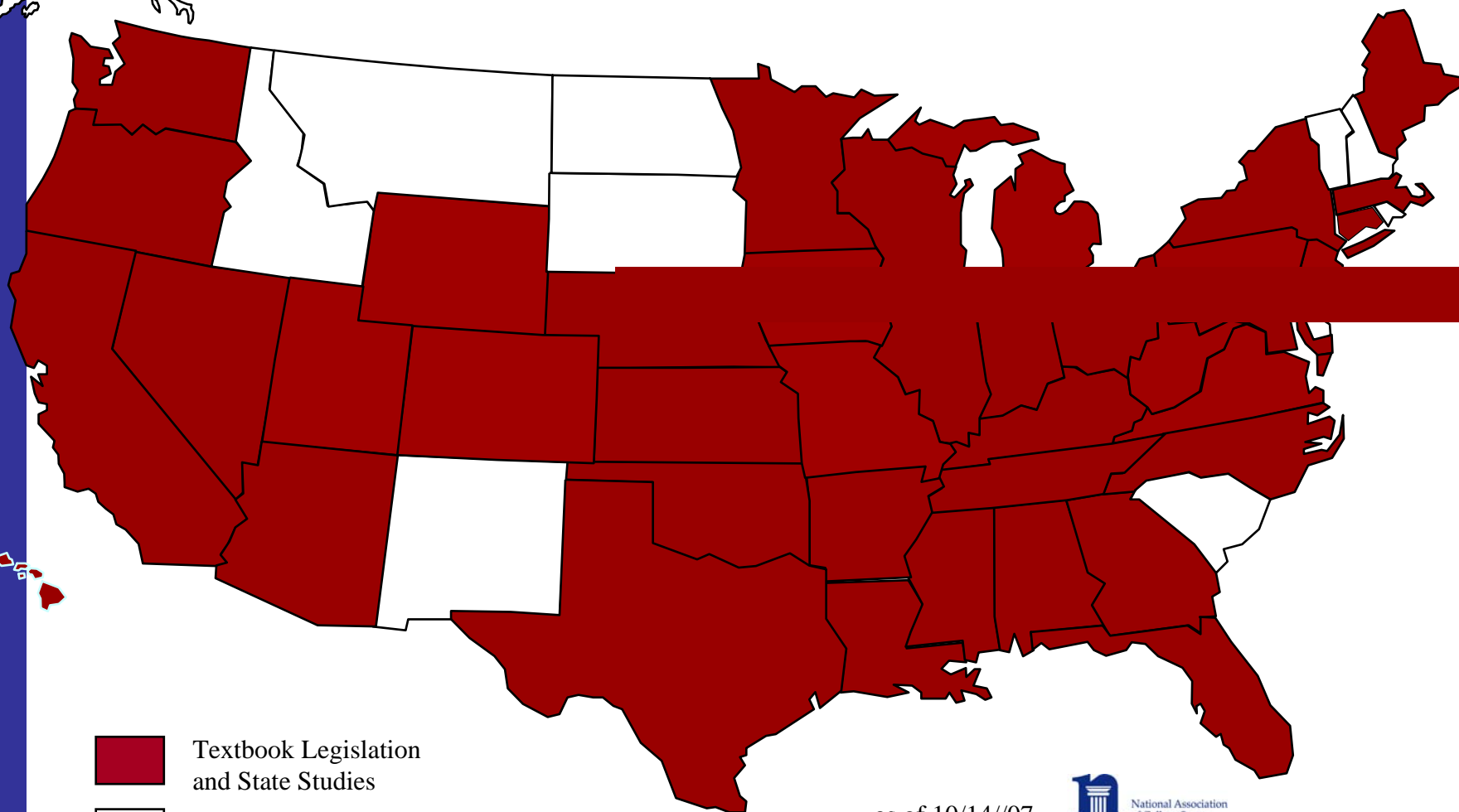
2005 State Higher Education Textbook Legislation and State Studies



*State studies have been completed or underway in CT, GA, IL, NC, VA, and WV.



2008 Laws Introduced or Enacted Study in Progress or Completed



- Textbook Legislation and State Studies
- No Action

as of 10/14/07



Take Control of Textbook Costs
on Your Campus

Cañada College Bookstore · College of San Mateo Bookstore · Skyline College Bookstore

SMCCCD Rental Program

January 2006

- 1,700 students
- 35 titles
- \$106,373 at full retail
- \$26,593 rental fees
- **\$79,780 savings to students**

October 2008

- 11,500+ students
- 500+ titles
- \$1,631,580 full retail
- \$407,895 rental fees
- **\$1,223,685 savings to students**



Change in Federal Law-July 2010

- HEOA 2008-This bill affects EVERY college in the USA that receives ANY federal funds.
- Effective July 1, 2010.
- Table of Information for College Bookstores Handout



Assess, Assess & Assess Again

- Customer Service and Satisfaction Survey: Available through NACS in both print and on-line format.
- Informal “secret shopping”
- In-house program review
- Contracted program review; ex. Campus Bookstore Consulting Group



Food Services

OPERATIONAL CONCEPTS

- **Self Operation**
- **Fully Contracted**
- **Multiple Contracts—several operators**
- **Hybrid mix**



Common Foodservice Challenges

- College food service used to generate commissions and capital investment for renovations.
- Food service net income has been declining over the last several years, and the current food service provider is losing money.
- Many dining and retail areas are in need of renovation to give a more contemporary look and feel, but traditional sources of funding are not available.
- A radical change in approach to dining services is required to provide improved dining and catering services.



Food Services

- Campus Card Impact/Investment
- Impact of Convenience Stores
- Partnership with Campus Store
- Portability
- Branding: Pro's and Con's
- Franchise or District Owned



Food Services

- Vending Contracts
- Coke or Pepsi?
- Partnering with Suppliers
- Labor---In House vs. Outsourced
- Pricing---Retail, Cost Recovery or Subsidized?
- Catering---Quality, price or both?
- Concessions---campus or market driven



Faculty/Staff Housing

- Aids both Recruitment and retention: SMCCCD example
- Sale or Rental or Both?
- Faculty/staff Housing Services Center
- Ground Lease Concept



Copy Services

- In House or Outsourced-Does bringing an outside vendor in campus deliver a better more cost effective service than running it in house?
- Pros and Cons



Management Success

- Full Recovery of All Costs
- Ability to Respond to Institutional Changes
- Meet Expectations of Profitability
- Understand skill sets required for management of various AS departments
- Appropriate accounting methods for each service
- Measurement of success



Contract Management Skills

- Assessment and review
- Selection Skills
- Financial management
- Staff Transition issues
- On-Going involvement and review
- Negotiation Skills



Resources

- National Association of College Stores*** (NACS)
- National Association of College Auxiliary Services (NACAS)
- California Association of College Stores (CACS)***
- National Association of Convenience Stores
- National Association of College and University Food Services (NACUFS)



Questions?



Cañada College Bookstore · College of San Mateo Bookstore · Skyline College Bookstore