Supervising Auxiliary Operations in Community Colleges

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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**
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
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

- 2003-20: 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.

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Textbook Legislation and State Studies*

No Action
Laws Introduced or Enacted Study in Progress or Completed

- Textbook Legislation and State Studies: 41 States
- No Action: 9 States + DC

as of 9/30/09

Take Control of Textbook Costs on Your Campus
2009-10 Academic Year

- $157,415 in rental fees collected
- $629,660 at full retail
- $472,245 savings to students using the textbook rental program
The Numbers: 2005 to 2010

January 2006

- 1,700 students
- 35 titles
- $106,373 retail
- $26,593 rental
- $79,780 savings

Through January 2010

- 20,000+ students
- 700+ titles
- $2,408,181 retail
- $642,045 rental
- $1,766,136 savings
Colleges, will disclose either on line or in printed course schedule:

• **International Standard Book Number (ISBN)**
  
  or, author, title, publisher, and copyright date

• **Selling price information**
  
  of required and recommended textbooks and supplemental materials for each course listed in the course schedule.
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: SMCCD example
- Sale or Rental or Both?
- Faculty/staff Housing Services Center
- Ground Lease Concept
Copy Services & Other Surprises

• 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
• Commercial Fitness Center
• Facilities Rental/Event Planning
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)