Overview

• Benchmarking

• Industry Standards Project – Financial Resource Standards

• Live tour of the Campus Store Insights (CSI) Platform

• Q&A
What is Benchmarking?

Benchmarking is the process of measuring and comparing against industry best practices, similar organizations, or other organizations that are known leaders.
Ways to Benchmark

- **Internal**: Focus is on analyzing your store’s internal operation.
- **Competitive**: Compares your store with similar stores in the industry.
- **Industry**: Looks at aggregate industry data and provides a broader scope.
**Benchmarking**

- Gain insights and usable data
- Monitor performance for growth and improvements
- Set expectations and plans with actionable data
- Communicate individual and comparative results

**NOT Benchmarking**

- Working in the dark
- Difficult to identify strengths or areas in need of improvement
- Plans are based on assumptions, not facts
- Cannot effectively validate performance
Internal Financial Benchmarking

• Get your baseline:  Where are you now?

• Know historic numbers: Where have you been?

• Set your target: Where do you want to be?
CS must routinely monitor financial results of the operation, comparing store location(s) and merchandise categories to prior year and budget, and including the following (KPIs):

- Sales
- Other Income
- COGS
- Gross Margin/GMROI
- Markup/Markdowns
- Inventory Levels/Turnover/OTB
- Inventory Variance
- Payroll & Benefits
- Operational Expenses
- Operating Margin
- Indirect Expenses & Campus Overhead
- Net Income/Loss
- Contribution to Campus
Comparative & Industry Benchmarking

CS must benchmark financial results against other campus stores of similar type, size, and financial model using one or more credible and comprehensive industry financial surveys sponsored by an industry association or another method, identifying areas with opportunity for improvement, and developing detailed action plans for identified areas, implementing action plans, and conducting plan progress reviews.

Industry Resources

- Financial Surveys
- Campus Store Insights (CSI) B.I. Platform
- NACS Education
2019-20 Financial Survey

Industry Trends

- **19.7 Million**
  - U.S. College Enrollment*

- **3,982**
  - U.S. Colleges and Universities*

- **3,900**
  - U.S College Stores**

- **$476**
  - Average college store sales per student***
2019-20 Financial Survey Industry Trends

Trends in U.S. College Store Sales & Enrollment

- U.S. Enrollment/Headcount (in millions)
- U.S. Campus Stores Sales Estimates (in billions)
# 2019-20 Financial Survey Industry Trends

The following table shows details of product sales as a percentage of the total dollars spent in U.S. college stores.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>New Course Books</td>
<td>37.0%</td>
<td>36.4%</td>
<td>36.3%</td>
<td>34.7%</td>
<td>33.3%</td>
<td>31.4%</td>
<td>34.3%</td>
<td>33.4%</td>
<td>29.4%</td>
<td>24.6%</td>
</tr>
<tr>
<td>Used Course Books</td>
<td>17.7%</td>
<td>16.1%</td>
<td>14.5%</td>
<td>13.5%</td>
<td>12.1%</td>
<td>10.6%</td>
<td>13.1%</td>
<td>11.4%</td>
<td>10.4%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Custom Published Materials</td>
<td>1.2%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>1.8%</td>
<td>1.7%</td>
<td>1.7%</td>
<td>2.0%</td>
<td>1.3%</td>
<td>2.1%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Textbook Rentals</td>
<td>NA</td>
<td>NA</td>
<td>1.5%</td>
<td>2.6%</td>
<td>3.5%</td>
<td>4.4%</td>
<td>5.0%</td>
<td>5.2%</td>
<td>6.8%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Course Technology</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.7%</td>
<td>1.7%</td>
<td>2.8%</td>
<td>2.8%</td>
<td>1.0%</td>
<td>8.8%</td>
<td>4.5%</td>
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<tr>
<td>Inclusive Access</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>1.0%</td>
<td>8.3%</td>
</tr>
<tr>
<td><strong>Total Course Materials</strong></td>
<td><strong>56.0%</strong></td>
<td><strong>53.9%</strong></td>
<td><strong>53.8%</strong></td>
<td><strong>53.3%</strong></td>
<td><strong>52.3%</strong></td>
<td><strong>50.9%</strong></td>
<td><strong>57.1%</strong></td>
<td><strong>56.3%</strong></td>
<td><strong>53.1%</strong></td>
<td><strong>49.7%</strong></td>
</tr>
<tr>
<td>Insignia Products (apparel/gifts)</td>
<td>12.9%</td>
<td>14.3%</td>
<td>14.6%</td>
<td>14.9%</td>
<td>17.2%</td>
<td>18.2%</td>
<td>18.7%</td>
<td>19.7%</td>
<td>22.9%</td>
<td>24.6%</td>
</tr>
<tr>
<td>Hardware</td>
<td>12.8%</td>
<td>13.6%</td>
<td>12.9%</td>
<td>13.5%</td>
<td>12.5%</td>
<td>12.6%</td>
<td>8.0%</td>
<td>6.5%</td>
<td>14%</td>
<td>16.5%</td>
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<tr>
<td>Other Merchandise</td>
<td>7.2%</td>
<td>7.1%</td>
<td>7.5%</td>
<td>7.7%</td>
<td>7.6%</td>
<td>7.9%</td>
<td>7.3%</td>
<td>3.8%</td>
<td>4.1%</td>
<td>4.4%</td>
</tr>
<tr>
<td>School/Instructional Supplies</td>
<td>5.2%</td>
<td>5.4%</td>
<td>5.7%</td>
<td>5.6%</td>
<td>5.4%</td>
<td>5.4%</td>
<td>5.4%</td>
<td>5.4%</td>
<td>6.2%</td>
<td>5.7%</td>
</tr>
<tr>
<td>PC/Digital Supplies</td>
<td>1.5%</td>
<td>1.6%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>1.2%</td>
<td>1.2%</td>
<td>3.9%</td>
<td>2.4%</td>
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<tr>
<td>Trade and Reference Books</td>
<td>2.4%</td>
<td>2.3%</td>
<td>2.1%</td>
<td>1.8%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>0.9%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Software</td>
<td>2.1%</td>
<td>1.9%</td>
<td>1.6%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>1.1%</td>
<td>0.9%</td>
<td>0.2%</td>
<td>0.5%</td>
<td>0.8%</td>
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<tr>
<td><strong>Total General Merchandise</strong></td>
<td><strong>44.1%</strong></td>
<td><strong>46.2%</strong></td>
<td><strong>46.4%</strong></td>
<td><strong>46.7%</strong></td>
<td><strong>47.7%</strong></td>
<td><strong>49.1%</strong></td>
<td><strong>42.7%</strong></td>
<td><strong>37.8%</strong></td>
<td><strong>48.5%</strong></td>
<td><strong>53.0%</strong></td>
</tr>
</tbody>
</table>
Sample from “OLD” NACS Financial Report

Stores With Sales $1,000,000 to $1,999,999 (53 Responses)

Large variations may occur between average and median figures. Careful judgment should be used in analyzing any data point.

<table>
<thead>
<tr>
<th>Income Statement - % of Net Sales</th>
<th>Mean (Average)</th>
<th>25th Percecntile</th>
<th>Median (Mid-point)</th>
<th>75th Percecntile</th>
<th>Your Store</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Course Books</td>
<td>42.8%</td>
<td>30.6%</td>
<td>39.4%</td>
<td>57.8%</td>
<td></td>
</tr>
<tr>
<td>Used Course Books</td>
<td>18.9%</td>
<td>14.3%</td>
<td>18.9%</td>
<td>22.6%</td>
<td></td>
</tr>
<tr>
<td>Custom Published Materials</td>
<td>0.7%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.5%</td>
<td></td>
</tr>
<tr>
<td>Textbook Rental Sales/Fees</td>
<td>5.1%</td>
<td>0.0%</td>
<td>3.8%</td>
<td>8.2%</td>
<td></td>
</tr>
<tr>
<td>Course Technology</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.1%</td>
<td></td>
</tr>
<tr>
<td>TOTAL Course Materials</td>
<td>67.6%</td>
<td>55.7%</td>
<td>68.9%</td>
<td>81.3%</td>
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<td>Trade Books</td>
<td>1.6%</td>
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<tr>
<td>Professional Reference Books</td>
<td>0.1%</td>
<td>0.0%</td>
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<td>0.0%</td>
<td></td>
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<tr>
<td>TOTAL General Books</td>
<td>1.7%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>TOTAL BOOK SALES</td>
<td>69.3%</td>
<td>57.5%</td>
<td>69.9%</td>
<td>82.8%</td>
<td></td>
</tr>
<tr>
<td>Computer Hardware</td>
<td>0.9%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.2%</td>
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</tr>
<tr>
<td>Computer Software</td>
<td>0.2%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.4%</td>
<td></td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>0.5%</td>
<td>0.0%</td>
<td>0.3%</td>
<td>0.7%</td>
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</tr>
<tr>
<td>Digital / Computer Supplies</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.2%</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>TOTAL Digital Products</td>
<td>2.1%</td>
<td>0.3%</td>
<td>0.9%</td>
<td>2.5%</td>
<td></td>
</tr>
<tr>
<td>School / Office Supplies</td>
<td>5.1%</td>
<td>2.8%</td>
<td>4.1%</td>
<td>5.9%</td>
<td></td>
</tr>
<tr>
<td>Instructional Supplies</td>
<td>1.2%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.4%</td>
<td></td>
</tr>
<tr>
<td>TOTAL Supplies</td>
<td>0.3%</td>
<td>3.2%</td>
<td>4.4%</td>
<td>6.9%</td>
<td></td>
</tr>
<tr>
<td>Insignia Apparel</td>
<td>11.6%</td>
<td>2.8%</td>
<td>8.7%</td>
<td>19.1%</td>
<td></td>
</tr>
<tr>
<td>Non-insignia Apparel</td>
<td>0.4%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.2%</td>
<td></td>
</tr>
</tbody>
</table>
Campus Store Insights (CSI)

A business intelligence and data visualization platform for benchmarking and reporting financial results
CSI Features

- Dashboards for quick visual comparisons
- Reports to compare individual data against the industry and also groups of “like” stores
- Dynamic filter capabilities to compare data in multiple ways
- Export options to further analyze data or provide reporting to the campus administration.
CSI Beta Test Group
Strategically targeted to represent the diverse industry makeup:

• US & Canadian Stores
• 2-Year & 4-Year Schools
• Stores Selling Textbooks & General Merchandise & GM-Only Stores
• Five Different Retail Systems Represented
• Sales Volume Range: $500k – $22 million

• FTE Enrollment Range: 2,000 – 55,000
• Stores That Have Done: The NACS Financial Survey, The ICSR, & Both
• Current/Former Leadership of: NACS Board, Foundation Board, CSC Board, & LSG Steering Committee
What’s next?

- Maintain NACS membership
- Participate in the NACS Financial Survey fall 2021
- Stay up-to-date on advancements with the Industry Standards
- Put CSI to good use for your store in 2022!
Thank You

Contact

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