

USING OUTCOME-BASED PLANNING TO INCREASE EFFECTIVENESS



NIRSA 2004 Annual Conference
April 20th

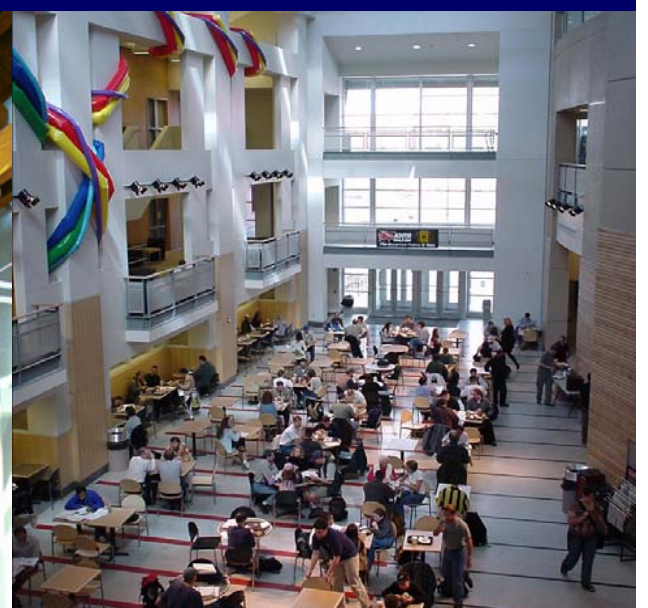
Paul Brailsford
Brailsford & Dunlavy
(202) 266-3401
pbrailsford@facilityplanners.com

Presentation Outline

- Introduction
- The Importance of Targeting Outcomes
- Targeting Outcomes & Setting Priorities
- Telling Your Story & Selling Your Plan



Introduction



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Introduction



- Campus Recreation has Become Resource Intensive
- Many Administrators and Trustees Still Do Not Understand the Value
- Recreation Professionals Must Be Effective Advocates



Introduction



Why?



Introduction



Jacuzzi U.? – A Battle of Perks to Lure Students

- The Article: The New York Times October 5, 2003
- Subject: Recreation, Student Unions & Housing
 - Extensive Facilities & Club Level Services
 - Architectural & Construction Quality
- The Question: Are These Facilities Excessive Luxuries or Important Strategic Assets?



Introduction



Jacuzzi U.? – A Battle of Perks to Lure Students

- The “Facts” Presented:
 - The University of Houston built a \$53 million recreation center with an “immense” rotunda, a five story climbing wall and an outside leisure pool with boulders and palm trees that “looks like a resort.
 - Washington State University has a Jacuzzi that holds 53 people.
 - Project Costs - \$140 million at Ohio State, \$40 million at WSU and \$70 million at Vermont.
 - Universities have issued \$12 billion in bonds in 2003 and dorms, unions and recreation facilities are “probably the # 1 driver



Introduction



Jacuzzi U.? – A Battle of Perks to Lure Students

- The Detractors' View:
 - It's "Totally crazy"
 - The projects are "driving up university debts and escalating the cost of education"
 - It's "a lot of one-upsmanship"
 - "What ever the students want they are getting."
- The Proponents' View:
 - These Projects are "necessary and compelling"



Introduction



Campus Recreation Reality





P.E. & Athletics Focus		Recreation / Social Focus
Utilitarian Function		Dynamic Social Space
Limited Audience		Maximized Appeal
Shared Use Facilities		Special Purpose Buildings
Directed Programs		Market Driven Services
Free Employee Use		Fee Based Memberships
Male Dominated		Gender Balanced

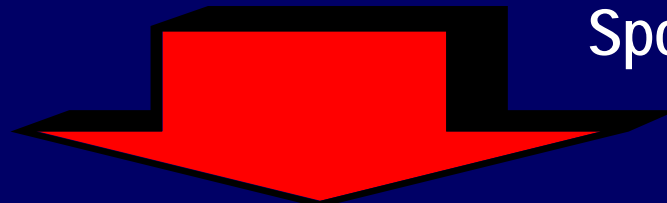


Introduction



Campus Recreation Reality

Demand For Recreation		Value For Substantial Fees
Value Added Services		Substantial Spec Revenue
Greater Business Focus		Larger / More Skilled Staffs => Bigger Budgets
Title IX Mature Culture		Female Intramurals & Drop-in Sports opportunities



Most Exciting Campus Recreation Development Era Ever

 Substantial Resources Allows Large Projects to be Feasible Within Tolerable Risk Parameters



Introduction



Why?



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Introduction



- Develop an Advocacy Plan
- Report the Effectiveness of Your Programs
- Illustrate Relationships Between Resource Requirements and institutional Mission



Introduction



- Do you think like an Entrepreneur?
- Do you think like a sales person?



The Importance of Targeting Outcomes



The Importance of Targeting Outcomes

The Toyota Camry Story

- Late '80's: Auto Industry is in Recession
- Toyota Camry & Honda Accord Competed for Market Position
- Accord Outsold Camry Every Year
- Toyota's Guiding Objective: Beat Accord in Head to Head Sales Competition



The Importance of Targeting Outcomes

The Toyota Camry Story

- Toyota's Initiatives
 - Attempt to lower the cost of production to beat Accord's price
 - Produce a superior product at Accord's price point by improving product quality without increasing production costs
- Result: Failure
 - Honda remained the most cost effective producer
 - Accord continued to outsell Camry



The Importance of Targeting Outcomes

The Toyota Camry Story

- Revised Objective: Maximize Net Revenue for the Product Line
 - Competitor analysis identifies a gap!
 - Maxima costs \$6,000 more than the Accord & Camry
 - Fill the gap with a new price point concept
- The “Family Camry” is Born
 - Larger more powerful car
 - Quieter and more comfortable ride
 - Price increased by \$3,500, production costs increase by only \$2,000



The Importance of Targeting Outcomes

The Toyota Camry Story

- Results

- Gross margin per unit increased
- Record unit sales achieved
- Net revenues for the Camry product line were maximized within a recession economy!



The Importance of Targeting Outcomes

The Toyota Camry Story

- Lessons Learned

- Targeted outcomes drive institutional strategies and decision making.
- Cost and value are not the same thing and value is more important than cost.
- Entrepreneurs know how to create value.
- A good sales person knows how to package benefits



Targeting Outcomes & Setting Priorities



Targeting Outcomes & Setting Priorities

“If you don’t know where you’re going, you might end up someplace else.”

Casey Stengel

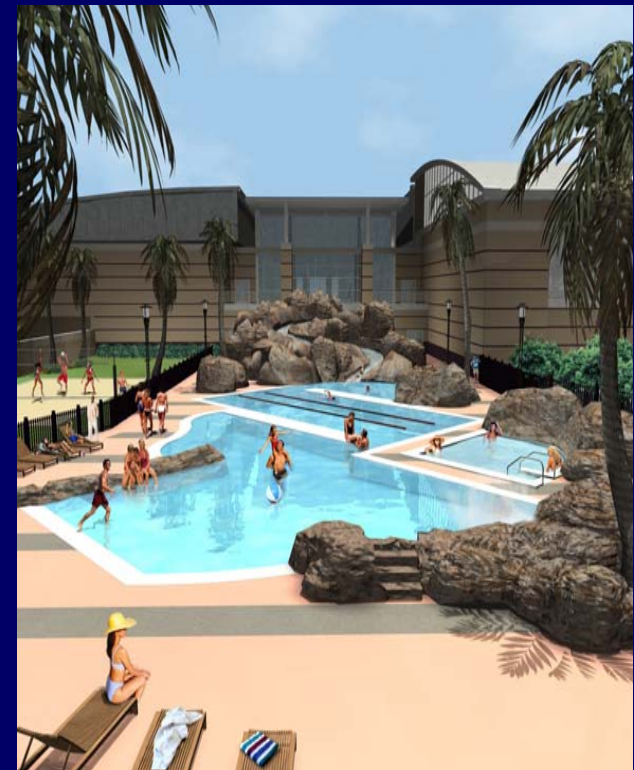


Targeting Outcomes



Who Gets to Choose Which Outcomes to Target?

- Campus Recreation Staff
- Faculty Senate
- Trustees & Administrators
- Students

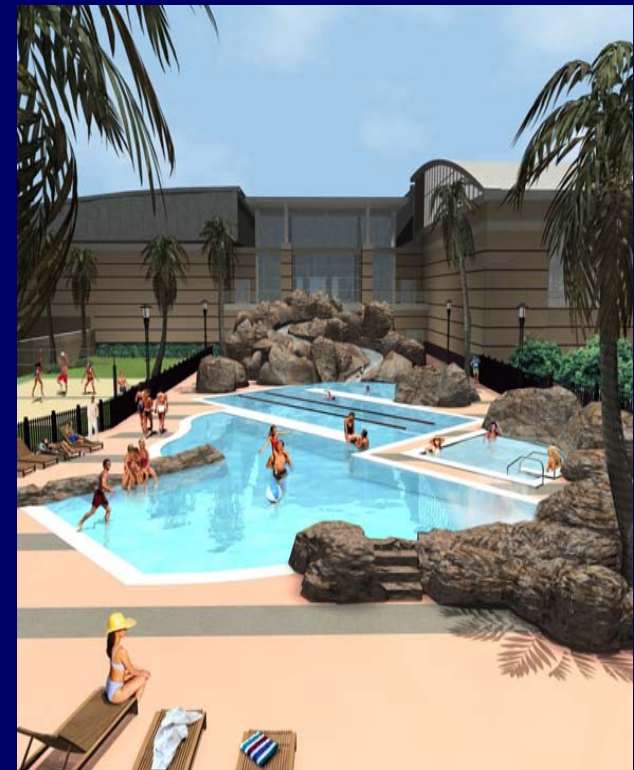


Targeting Outcomes



Preferred Information Sources

- View Book
- Campus Master Plan
- Strategic Plan
- Presidential Speeches
- Other Official Documents



Targeting Outcomes



Developing Strategy

- Educational Outcomes
 - Enrollment Management
 - Campus Community
-
-
- Financial Performance

How effective are existing facilities?

How well do the facilities need to work?



Targeting Outcomes



Creating Strategic Assets – Some Perspective

- The Drivers are:
 - Enhancing Educational Outcomes
 - Supporting the Enrollment Management Plan
 - Creating, Enhancing and Maintaining Community
- Common Results
 - Higher GPA's, improved graduation rates, increased donations
 - Higher SAT's, expanded market radius
 - Greater participation in student activities, faculty / student interaction, etc.



Targeting Outcomes



Legend:	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
	LOW					HIGH				
Strategic Objectives By Category	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
I. Enhance Educational Outcomes										
a. Stress Mitigation (self-directed fitness/wellness)			X						O	
b. Leadership Development (intramurals & clubs)							X			O
c. Professional Development (student employment)					X					O
d. Long-term Financial Stability (fundraising)			X							O
e. Lifetime Skills, Wellness etc.			X						O	



Targeting Outcomes



Legend:	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
	LOW					HIGH				
Strategic Objectives By Category	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
II. Enrollment Management										
a. Recruitment Tool (quality of life, campus tour, expectations)		X							O	
b. Retention (consistency / quality of experience)				X					O	



Targeting Outcomes



Legend:	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
X Current Condition	LOW					HIGH				
O Desired Condition										
Strategic Objectives By Category	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
III. Campus / Community										
a. Central Gathering Place		X						O		
b. Faculty / Staff / Student Interaction				X				O		
c. Alcohol-free Social Opportunities				X					O	
d. Alumni & Community Relations					O	X				
e. Quality of Life System Integration						X		O		



Targeting Outcomes



Legend:	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
	LOW					HIGH				
Strategic Objectives By Category	Value of Recreation Facilities									
	1	2	3	4	5	6	7	8	9	10
IV Financial Performance										
a. Revenue Generation (other than student fees)					X					
b. Expense Management (efficiency of operation)					X					



Targeting Outcomes



The Strategic Asset Value Story - Recreation

- Priority Order of Space Needs / Project Concept
- Architectural & Construction Quality
- Target Markets / Campus Location
- Operating Paradigm / Financial Performance



Targeting Outcomes



Institutional Risk & Funding Strategies

- Debt Underwriting
 - Debt Coverage Ratio & Collateral
 - Debt Term & Instrument

NOI = \$2,500,000 ; Int. Rate = 5.5% ; Fees = 80%

Case #1

Debt Term = 20 yrs.

DCR = 1.25:1

Debt Capacity = \$24,000,000

Case #2

Debt Term = 30 yrs.

DCR = 1.10:1

Debt Capacity = \$36,300,000

Student Fee Differential = \$50 => \$70 Per Semester

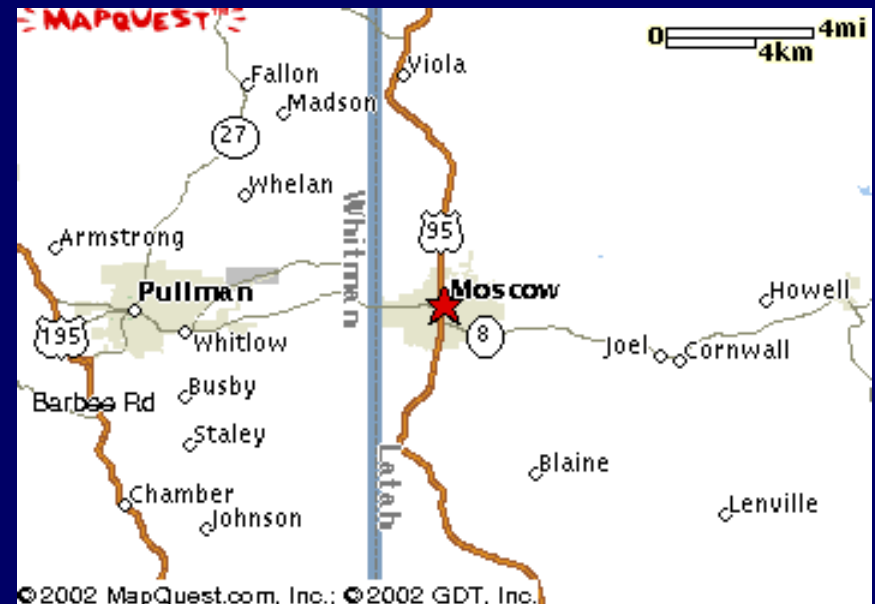


Case Studies

University of Idaho – *Recreation & Wellness Center*

- Location
- Student Population
- Existing Conditions
- Program Drivers
- Constraints
- Project Response

← *Moscow, Idaho (the Palouse!)*



Case Studies

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Case Studies

University of Idaho – *Recreation & Wellness Center*

- Location
- Student Population
- Existing Conditions
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- Constraints
- Project Response

Residential Campus of Choice!

- ▶ Approximately 12,000 students
- ▶ Relatively homogeneous
 - Only 7% minority
 - Predominantly traditional
 - Over 90% Idaho residents (undergrad)
- ▶ 75% undergraduates
- ▶ 18% undergrads live on-campus
- ▶ Very strong Greek life
- ▶ On-campus population => 25%
 - Effective on-campus almost 40%



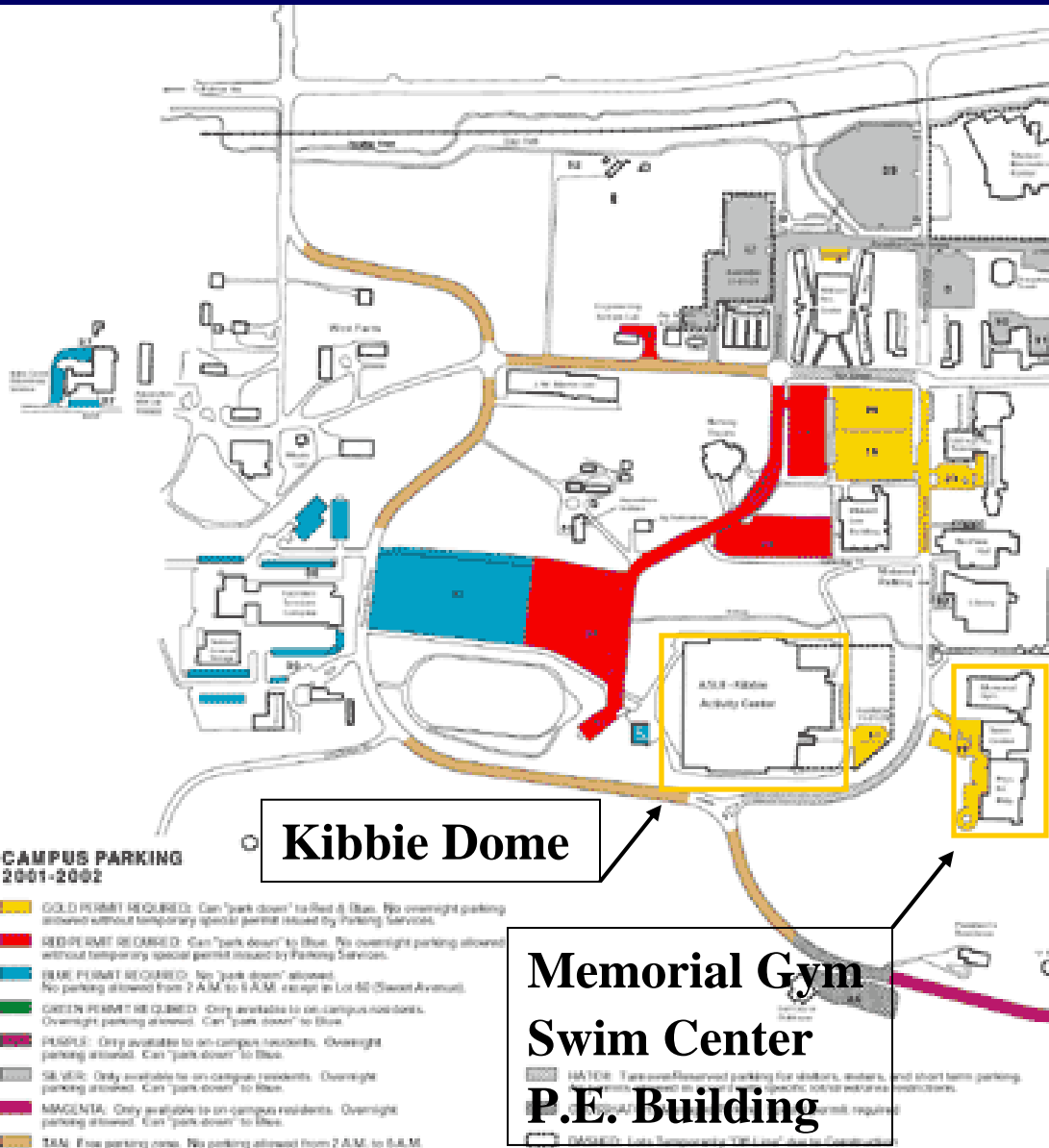
Case Studies

University of Idaho – *Recreation & Wellness Center*

- Location
- Student Population
- Existing Conditions ←
- Program Drivers
- Constraints
- Project Response

Distributed Recreation Facilities

- ▶ Memorial Gym - Constructed in 1928
 - Gym, combatives, weight room, multi-purpose, climbing gym, racquetball & rifle range
- ▶ P.E. Building - 70's vintage
 - Academic offices, Rec offices, class rooms, dance studios, two gyms, 1 squash court
- ▶ Swim Center – two lap pools
- ▶ Kibbie Dome
 - Primary athletic building
 - Racquetball, fitness



Aug. 30, 2001



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Case Studies


University of Idaho – *Recreation & Wellness Center*

- Location
 - Student Population
 - Existing Conditions
 - Program Drivers ←
 - Constraints
 - Project Response
- ▶ Educational Outcomes
 - Stress Mitigation
 - ▶ Recruitment / Retention
 - Boise State / Washington State / others
 - Support residential initiative
 - Unique UI experience
 - ▶ Campus Community
 - Neighborhood creation
 - Evening social environment



Case Studies

University of Idaho – *Recreation & Wellness Center*

- Location
- Student Population
- Existing Conditions
- Program Drivers
- Constraints 
 - ▶ Student fee tolerance / Budget
 - ▶ Existing facilities
 - ▶ Site conditions / Site development
 - ▶ Relocation of Physical Plant facilities
 - ▶ Storm Water Management
- Project Response







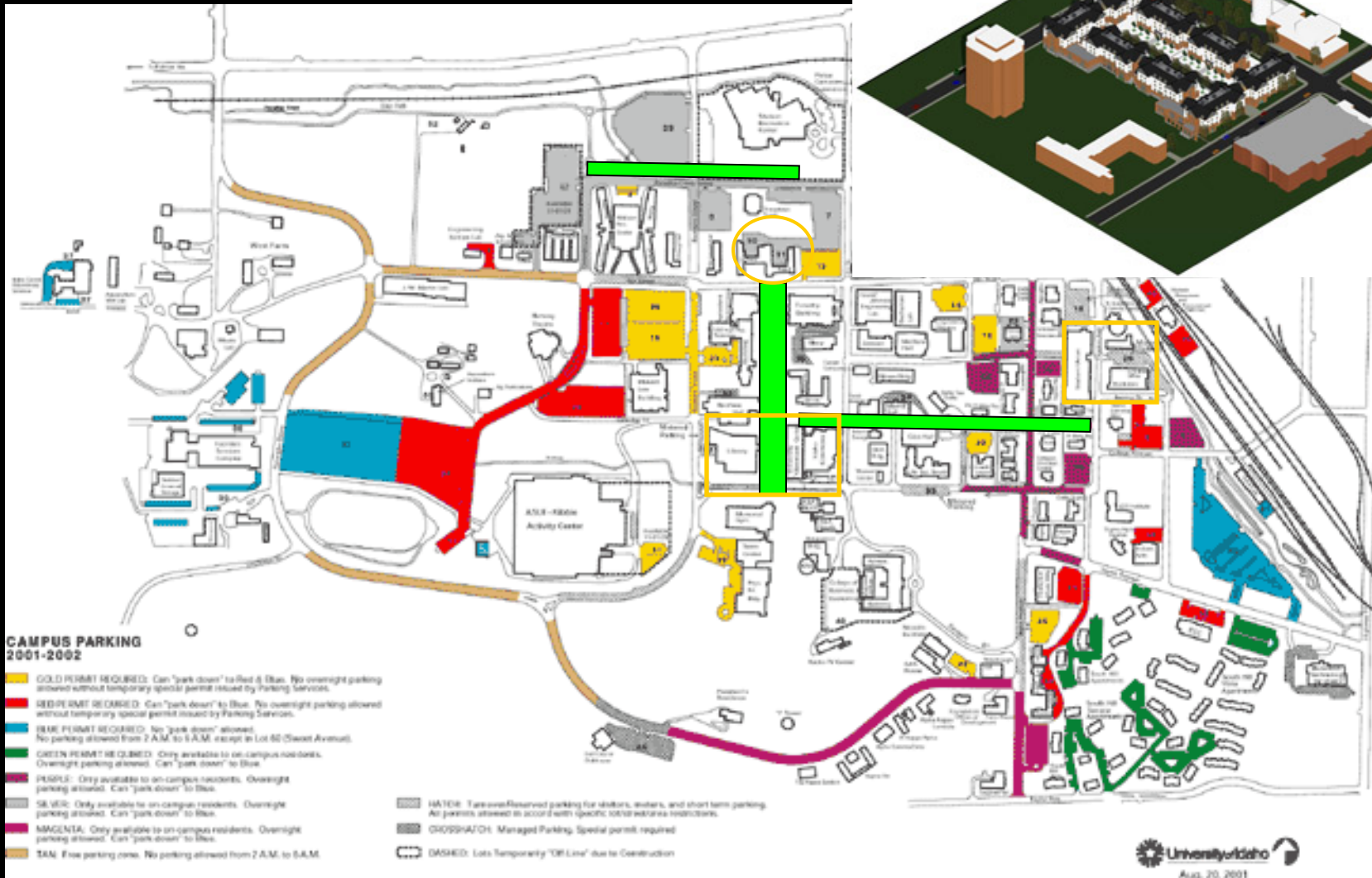
Case Studies

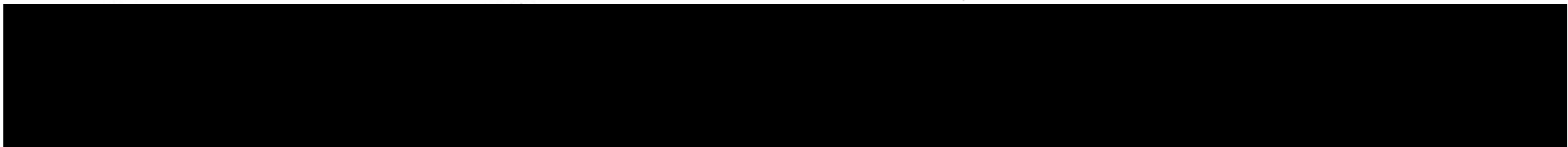
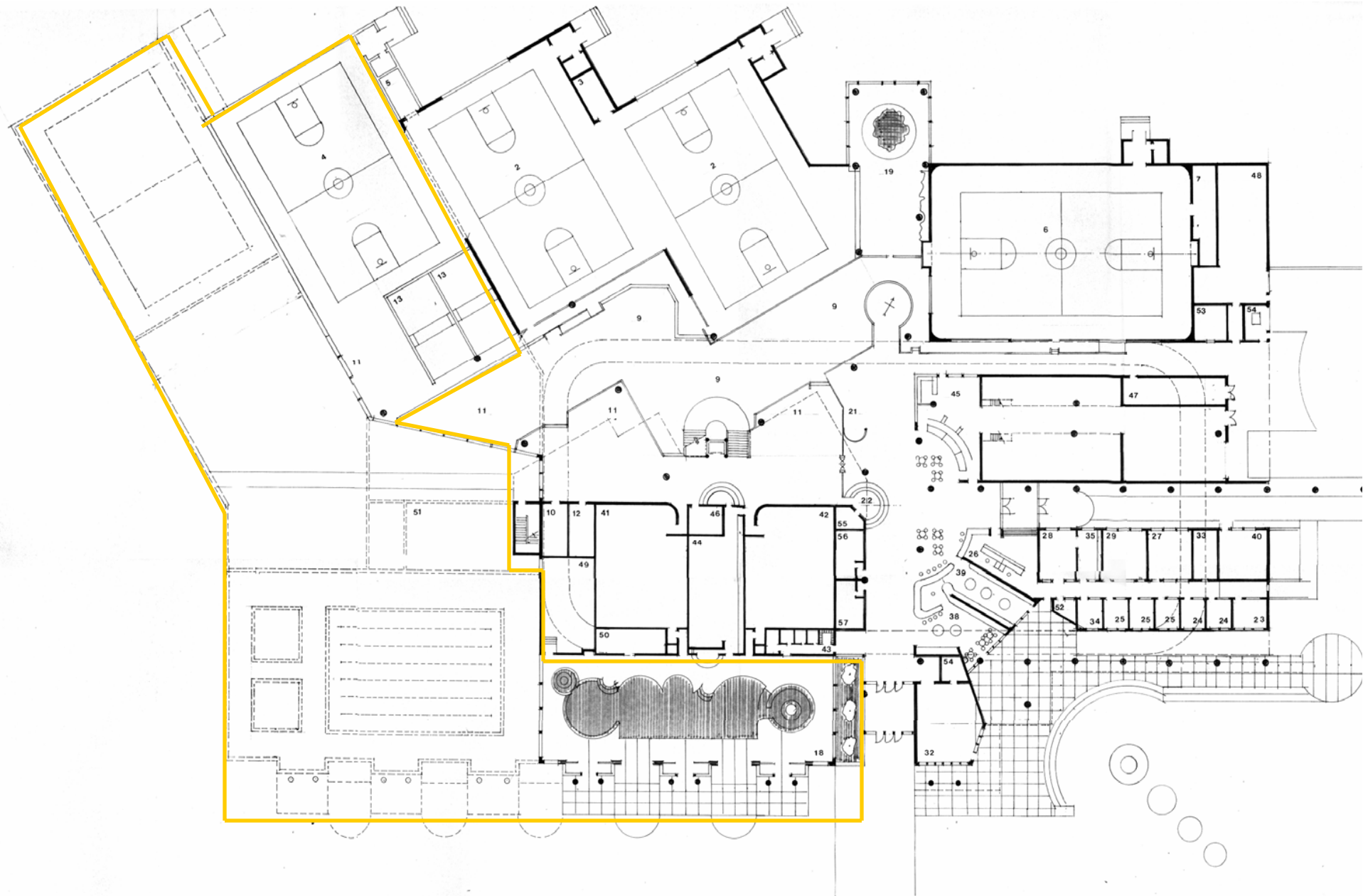
University of Idaho – *Recreation & Wellness Center*

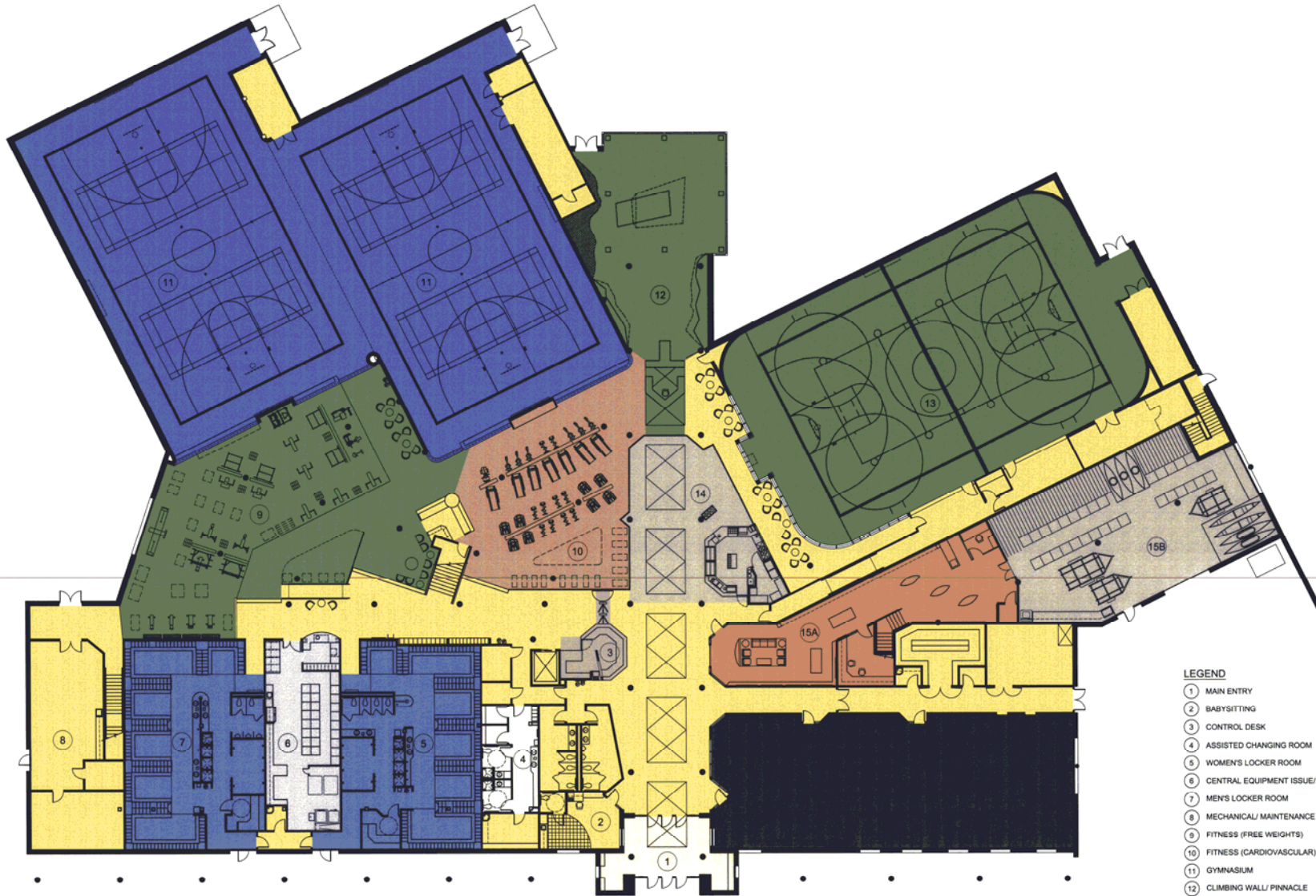
Themed Service Continuum

- Location
 - Student Population
 - Existing Conditions
 - Program Drivers
 - Constraints
 - Project Response ←
- ▶ *87,000 square feet / \$11.8 million / \$135sf*
 - *10,000 sf of weight & fitness*
 - *5,000 sf of group fitness*
 - *1/9 mile indoor track*
 - *8,000 sf outdoor adventure center /storage*
 - *Tallest / best collegiate climbing facility*
 - ▶ *Phased Approach*
 - *Additional Gyms*
 - *Leisure aquatics, racquetball & more fitness*
 - *Student health services*
 - ▶ *Heavy Theme – The outdoor experience*
 - *Climbing featured & showcased*
 - *Palouse Architecture*
 - *Campus plan / neighborhood integration*



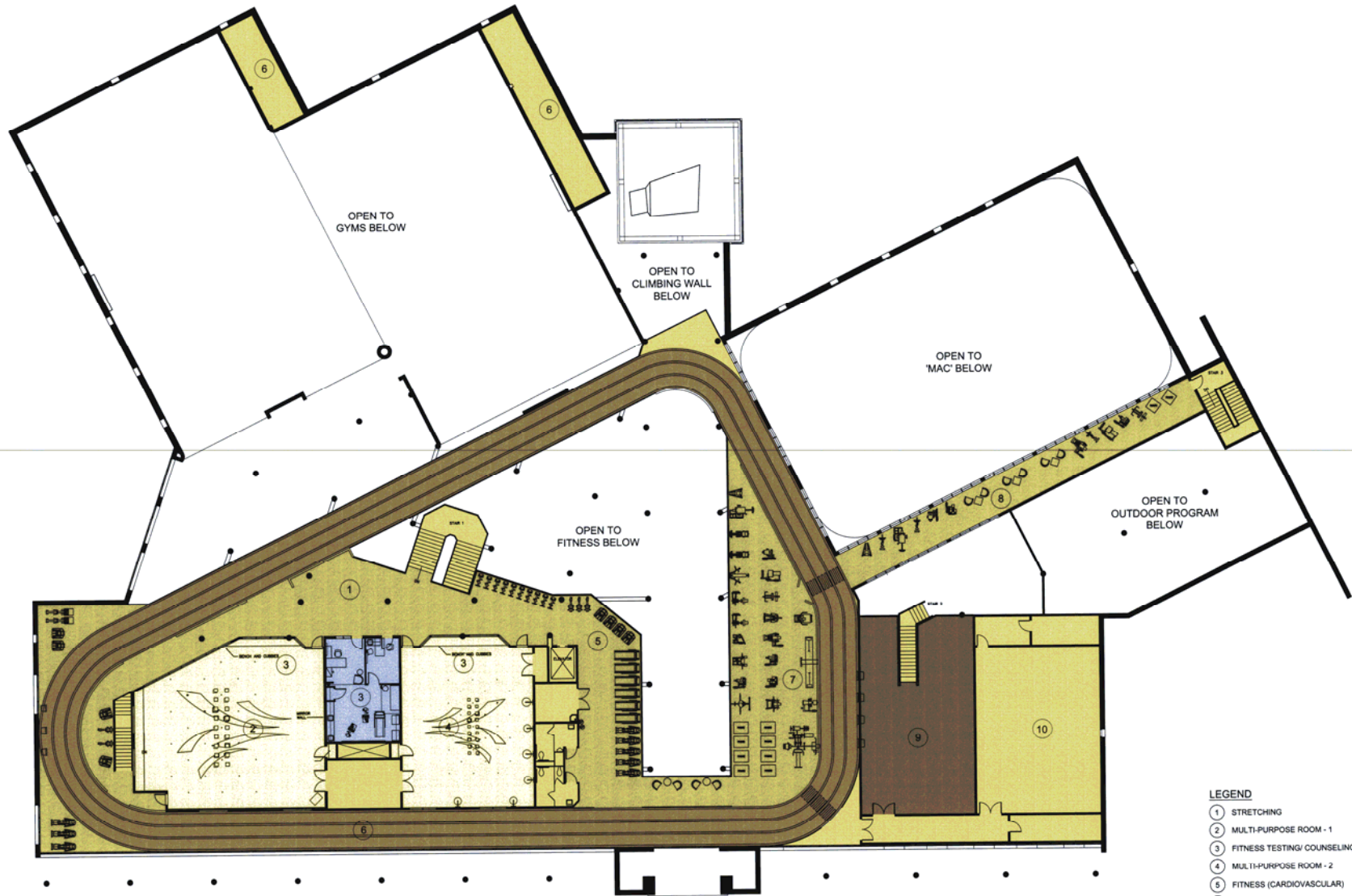






LEGEND

- ① MAIN ENTRY
- ② BABYSITTING
- ③ CONTROL DESK
- ④ ASSISTED CHANGING ROOM
- ⑤ WOMEN'S LOCKER ROOM
- ⑥ CENTRAL EQUIPMENT ISSUE/ LAUNDRY
- ⑦ MEN'S LOCKER ROOM
- ⑧ MECHANICAL/ MAINTENANCE
- ⑨ FITNESS (FREE WEIGHTS)
- ⑩ FITNESS (CARDIOVASCULAR)
- ⑪ GYMNASIUM
- ⑫ CLIMBING WALL/ PINNACLE
- ⑬ MULTI-ACTIVITY COURT
- ⑭ LOUNGE/ JUICE BAR SEATING
- ⑮ OUTDOOR PROGRAM RESOURCE/ RETAIL

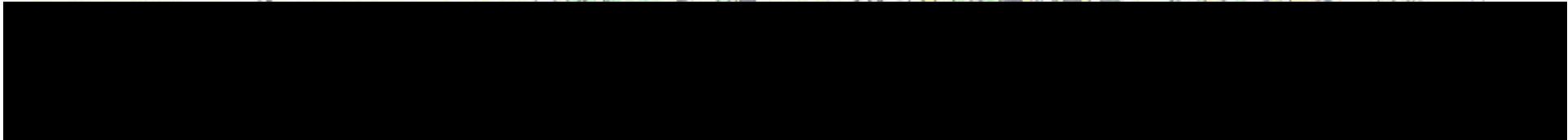
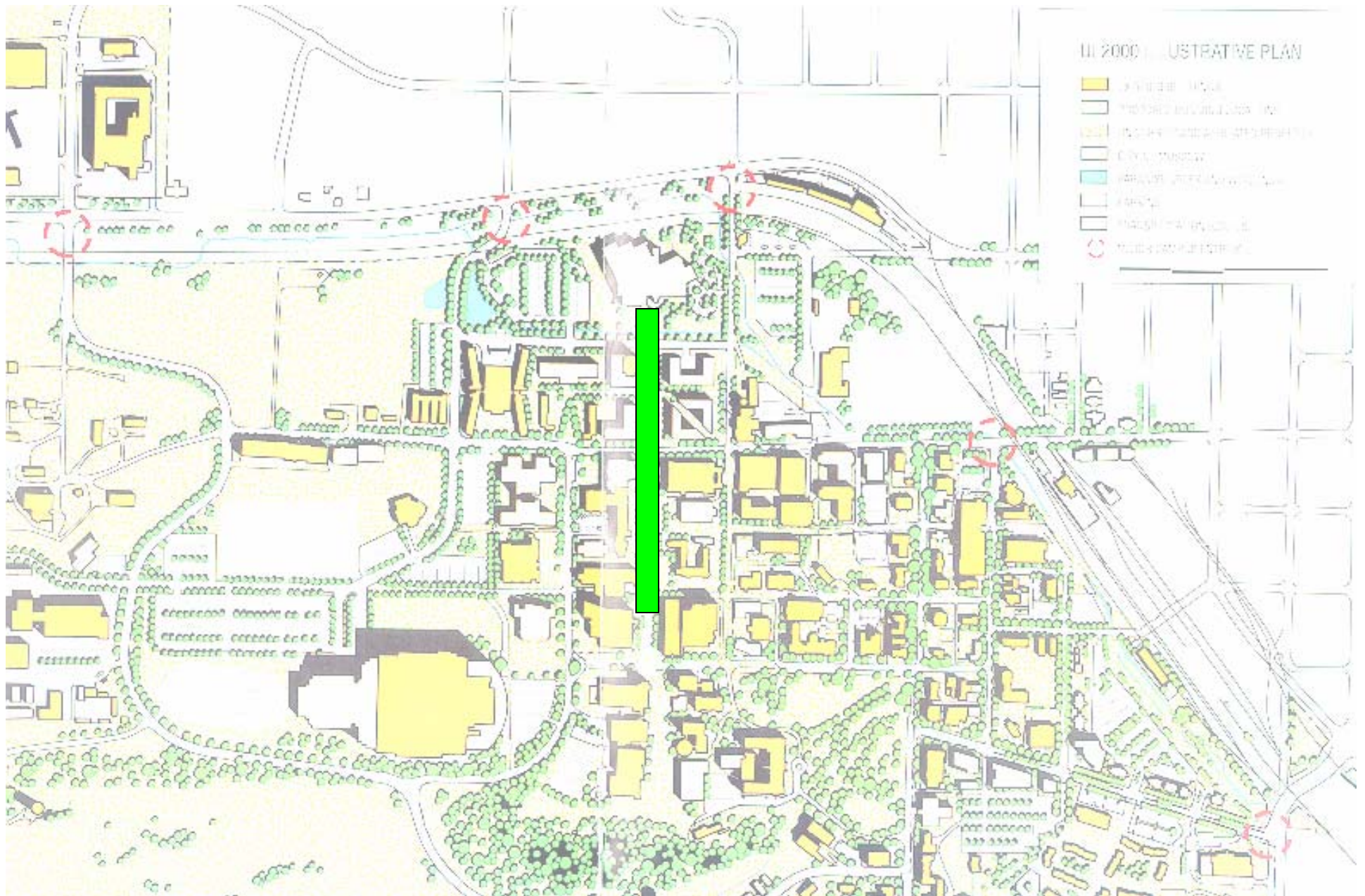


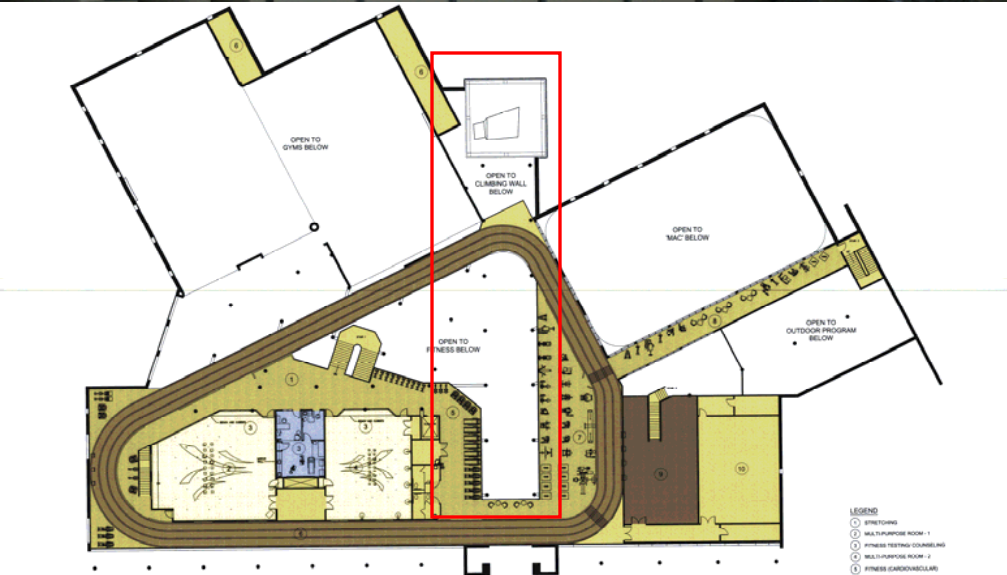
SECOND FLOOR PLAN
Ohlson Lavole Corporation

©2000 Northwest Architectural Company, P.S.

LEGEND

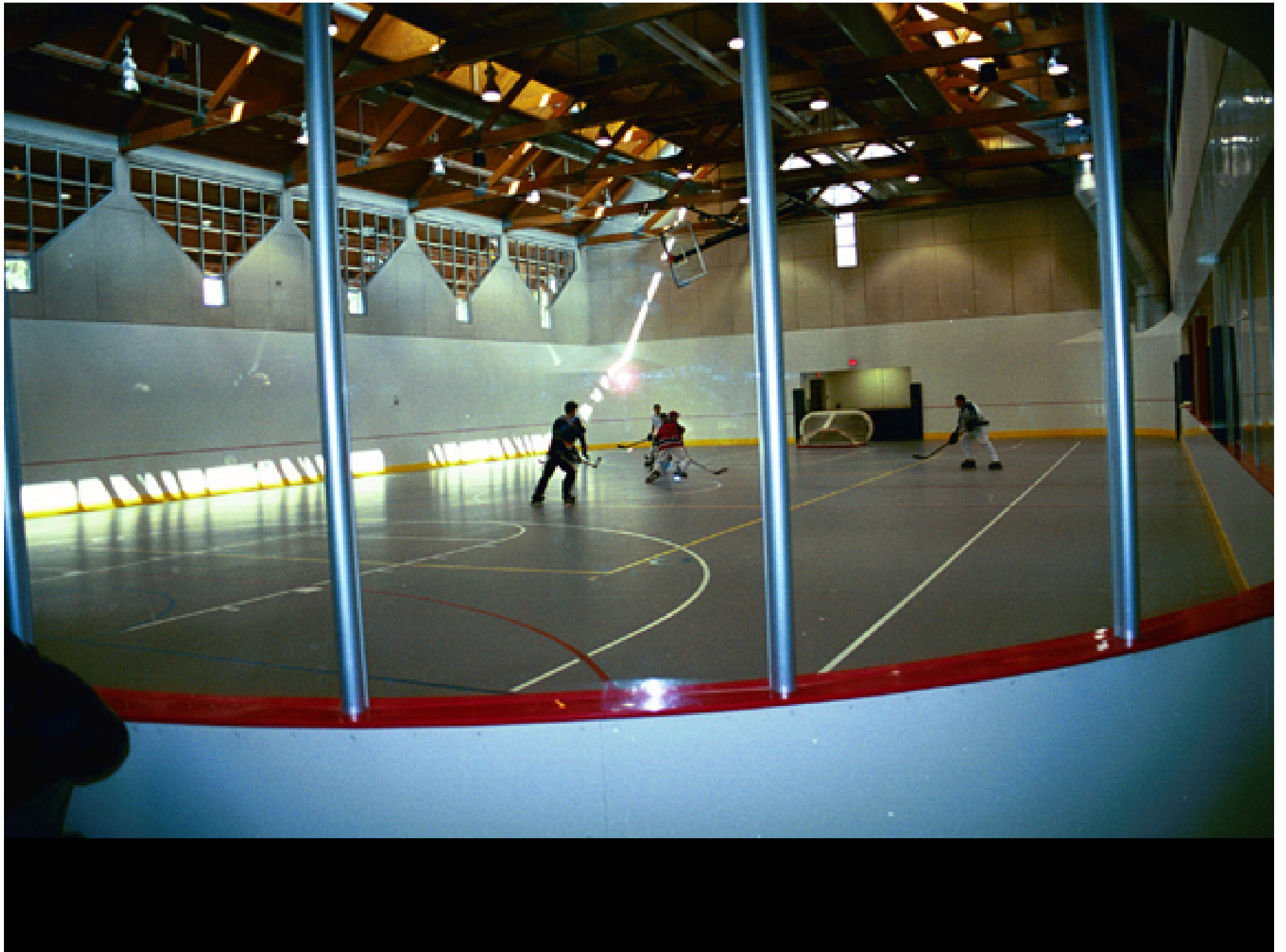
- ① STRETCHING
- ② MULTI-PURPOSE ROOM - 1
- ③ FITNESS TESTING/ COUNSELING
- ④ MULTI-PURPOSE ROOM - 2
- ⑤ FITNESS (CARDIOVASCULAR)
- ⑥ TRACK
- ⑦ FITNESS (CIRCUIT TRAINING)
- ⑧ FITNESS/ OBSERVATION
- ⑨ OUTDOOR PROGRAM STORAGE
- ⑩ MECHANICAL/ ELECTRICAL

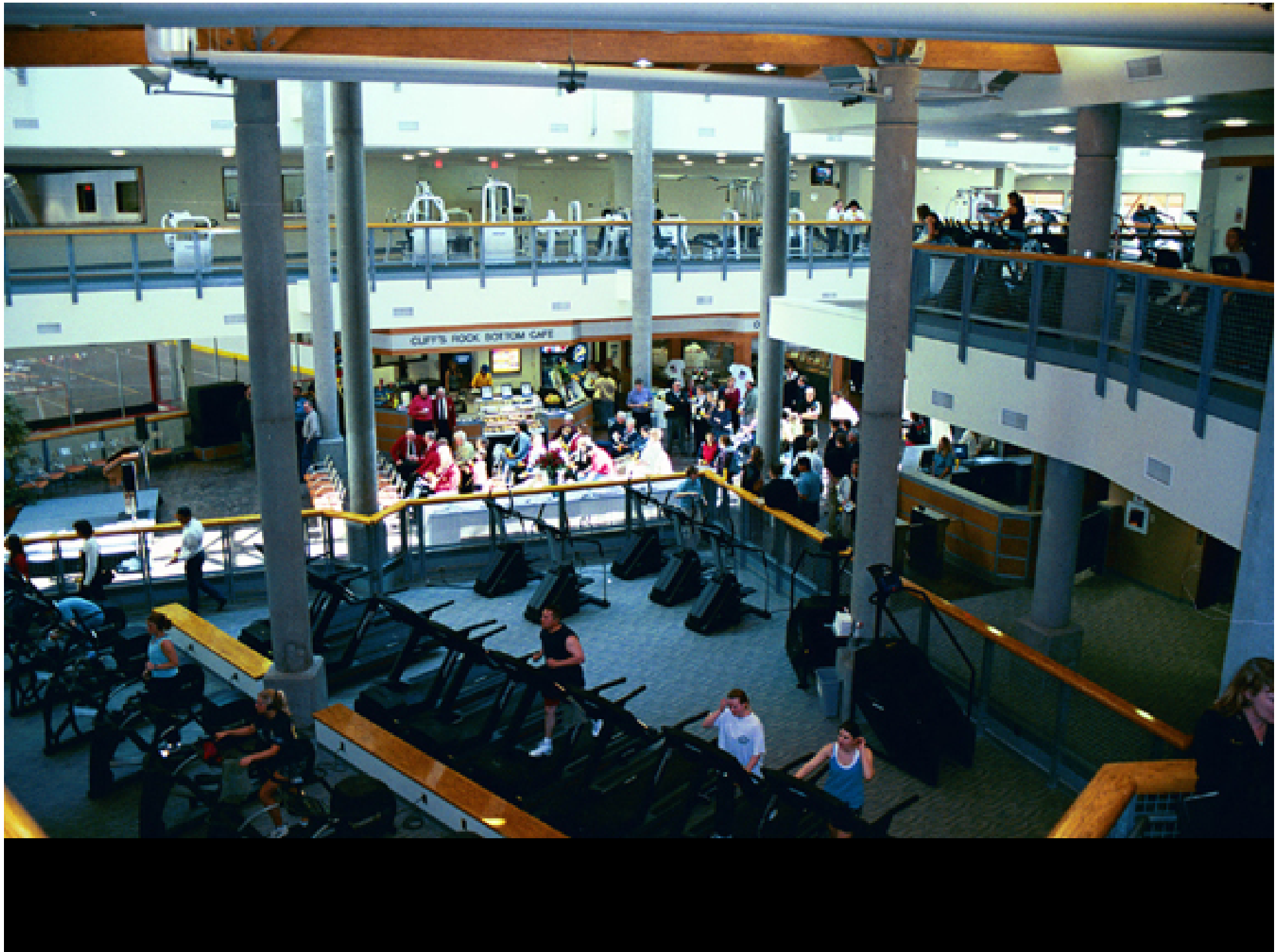


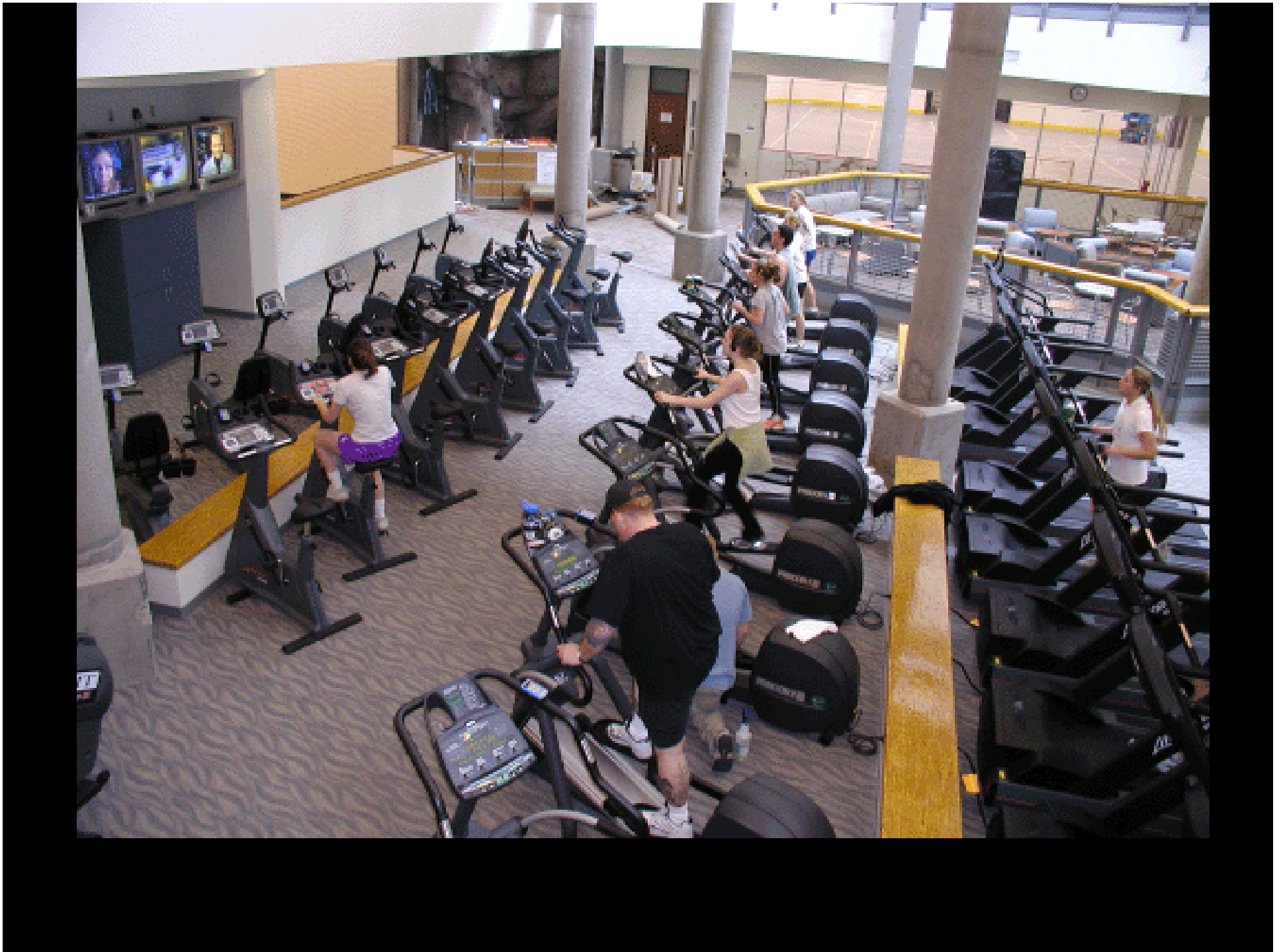










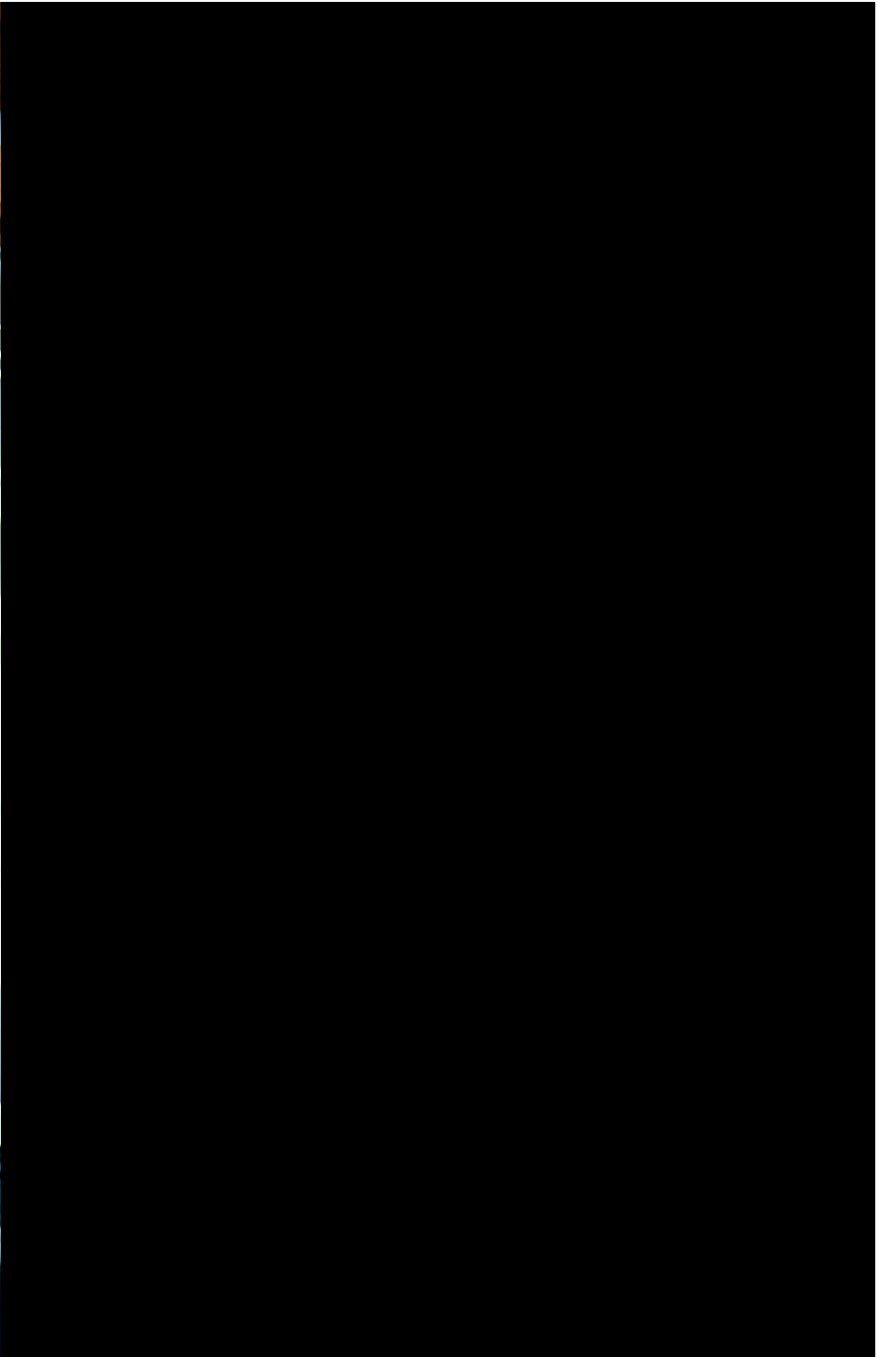




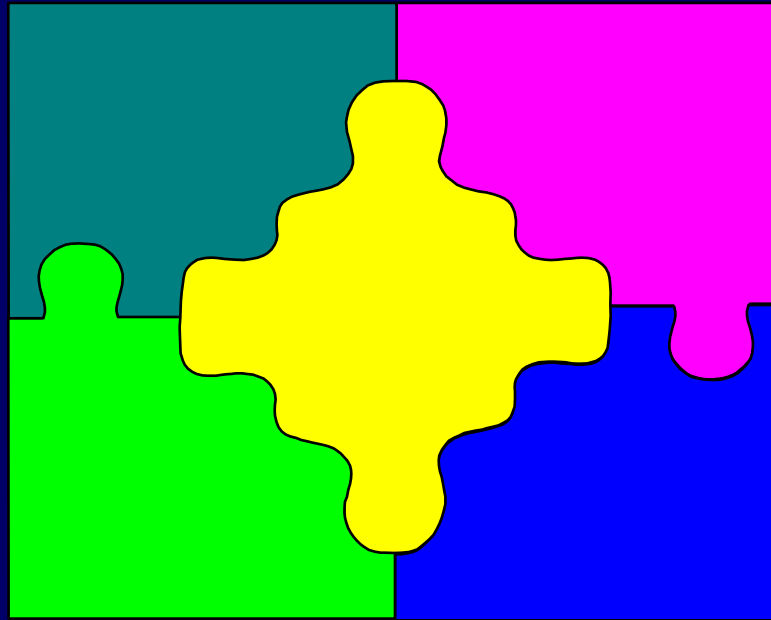




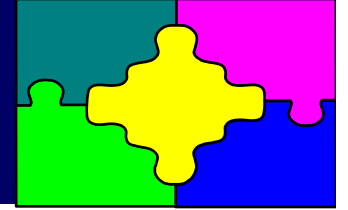




Telling Your Story / Selling Your Plan



Telling Your Story

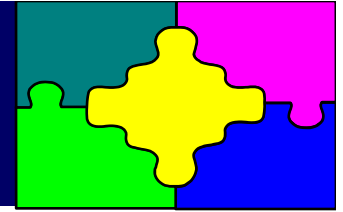


“Even if you’re on the right track you’ll get run over if you just sit there.”

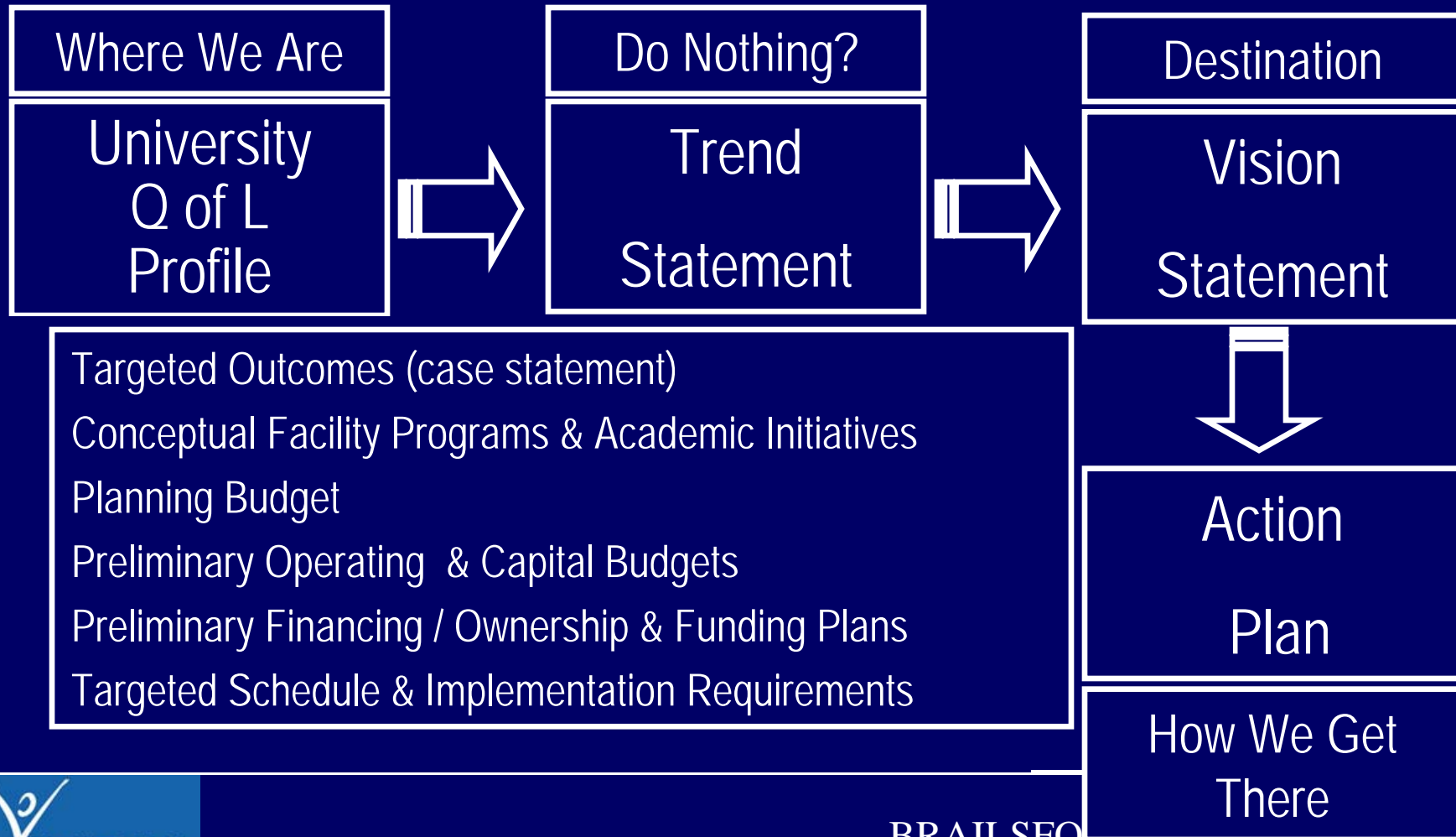
Will Rogers



Telling Your Story



Strategic Planning Approach



USING OUTCOME-BASED PLANNING TO INCREASE EFFECTIVENESS



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Updated Analysis

The Strategic Asset Value Story

- Priority Order of Space Needs
 - Full-service, comprehensive response
 - Self-directed Fitness
 - Intramurals
 - Wellness
- Architectural & Construction Quality
- Target Markets / Campus Location
- Operating Paradigm / Financial Performance



Updated Analysis

The Strategic Asset Value Story

- Priority Order of Space Needs
- Architectural & Construction Quality
 - “Gateway” Building: Permitted / Not Required
 - High Enough Quality to be a Good Neighbor
 - \$160/SF Hard Cost Budget
- Target Markets / Campus Location
- Operating Paradigm / Financial Performance



Updated Analysis

The Strategic Asset Value Story

- Priority Order of Space Needs
- Architectural & Construction Quality
- Target Markets / Campus Location
 - Accessibility is Key Driver (Student Users and Student Employees)
 - Students (On- and Off-Campus), Employees (East and West)
 - “One-Stop Shopping”/Central Gathering Place Desirable
- Operating Paradigm / Financial Performance



Updated Analysis

The Strategic Asset Value Story

- Priority Order of Space Needs
- Architectural & Construction Quality
- Target Markets / Campus Location
- Operating Paradigm / Financial Performance
 - High-value Membership Focus / Mandatory Fees
 - Menu of Target Audience Value-added Services
 - Market Rate Pricing





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