



Bookstore Management Outsource Option

Self-Managed vs. Outsourced

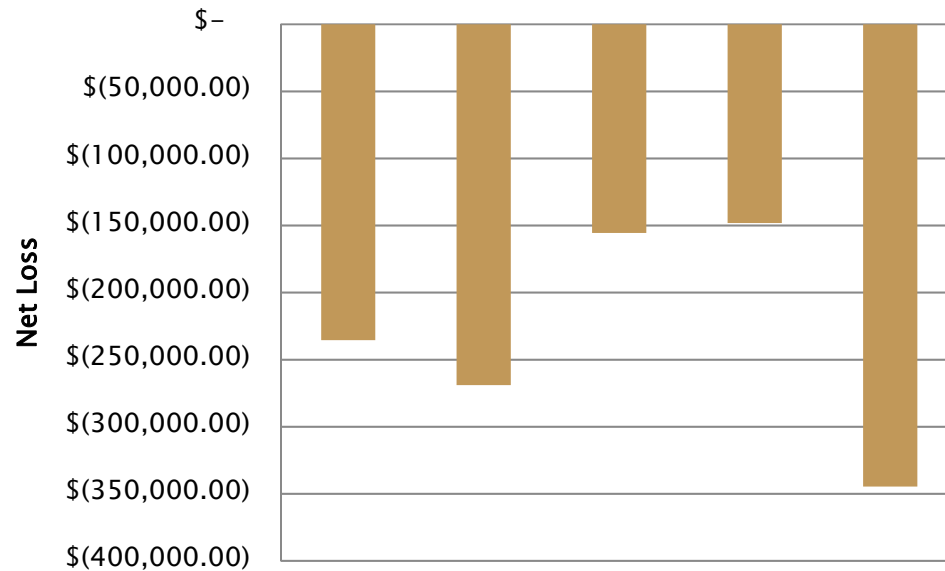
- ▶ Small, self-managed bookstores have difficulty competing with large booksellers due to increased overhead and lack of economies of scale
- ▶ Current losses can't be sustained without contributions from General Fund which reduce academic spending



Bookstore Net Loss* for Last Five Years (SBVC/CHC)

Fiscal Year	2012	2013	2014	2015	2016
Net Loss	-236,000	-269,000	-156,000	-148,000	-345,000

\$1.2 million net loss over the last 5 years



* = Excluding Interfund Transfers

Expectations of Outsourcing

- ▶ Transition teams provided by outsourcing company ease the way from self-management to outsourcing
- ▶ Existing bookstore staff can continue District employment for several years
- ▶ District earns an annual income from management company
- ▶ Note: Over 1,500 colleges and universities currently outsource the management of their bookstore

Expectations for Students

- ▶ Economies of scale and upgraded technology result in lower prices for students
- ▶ Increased textbook rental and digital options result in cost savings and increased convenience
- ▶ Improved point of sale software and website result in faster check out and greater convenience

Expectations for Faculty

- ▶ Outsourcing company provides resources to faculty to assist them in the selection of course materials
- ▶ Course materials can include textbooks, digital materials, videos, and open source content
- ▶ Outsourcing company works with faculty to ensure accurate and timely adoptions and offers a variety of methods to submit adoptions



Expectations for Colleges/District

- ▶ Professional marketing and expanded selection can increase sales of general merchandise
- ▶ Outsourcing company returns a percentage of sales to Colleges which can be used for academic services
- ▶ Decreased College/District administrative time allows staff to spend time on other projects and reduces the need for overtime or additional staff



Outsourcing Myths

- ▶ Current employees will lose their jobs
- ▶ Other services will go away (tickets, etc.)
- ▶ Customer service will decrease
- ▶ Faculty will no longer be involved
- ▶ Costs will increase



Possible Timing

- ▶ Preferred time to convert would be over the summer
- ▶ 45 day transition period recommended for a smooth and orderly transition, including time needed for any improvements to the buildings, to install new software system, and train our employees



Summary

- ▶ Current bookstores have difficulty competing with large booksellers and are losing money
- ▶ Outsourcing is expected to benefit students, faculty, and College/District
- ▶ Existing bookstore employees will not lose their jobs due to outsourcing



Questions

