

Minnesota State University Moorhead's  
Men's and Women's Division I Hockey Plan

June 11, 2009

**Minnesota State University Moorhead  
Men's/Women's Division I Hockey**

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# Minnesota State University Moorhead

## Men's/Women's Division I Hockey

### *Executive Summary*

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**Minnesota State University Moorhead's plan to establish a viable NCAA Division I Men's and Women's Hockey Program is in keeping with the mission of the University and the mission of the Athletic Department.**

*The mission of MSUM states: Minnesota State University Moorhead is a caring community promising all students the opportunity to discover their passions, the rigor to develop intellectually, and the versatility to shape a changing world.*

*The mission of the Athletic Department states: The Department of Athletics encourages and endorses the goals and objectives of the university and serves to meet the competitive and educational needs of the student-athlete, unify the extended university community of students, faculty, staff, alumni, and townspeople, and generate a positive image of the University.*

MSUM has integrated intercollegiate athletics into higher education by offering a program that fosters our students' future success. The addition of a MSUM hockey program will provide an important and exciting new identity for our university while maintaining and supporting the current mission of the University and the Athletic Department. DI hockey will also help increase pride in MSUM athletics.

MSUM's opportunity to start a DI hockey program flows from the convergence of a number of variables. MSUM has new leadership looking to forge new partnerships with its campus community and the greater community of Fargo-Moorhead. The newly constructed Urban Plains Center (UPC) is an arena where DI Hockey can thrive. Within the community there is a strong and growing interest in the distinct brand of DI college hockey. There's an opportunity to seek membership in the Western Collegiate Hockey Association, if the league expands. High caliber league competition like that found in the WCHA would help assure the program's financial success. Collectively, the variables indicate that this is an opportune time for MSUM to join the ranks of NCAA Division I Hockey.

The proposed hockey budget was developed to minimize any financial risk for the University. An important element of the budget is the raising of the initial donation. The ten million dollar fund raising goal is needed to defray the start-up costs of the hockey program as well as sustain the program into the future. To reach the nominal risk goal, it will be crucial that a carefully negotiated lease be achieved with the owners of the arena, the Metro Sports Foundation (MSF), The Urban Plains Center, and the Fargo Park Board. The agreement should allow the strengths of the organizations to be brought together to improve the program's chances of success. The budget supports three new positions including: an assistant athletic director, an assistant sports information director, and a ticket manager, as well as increased support for Dragon Fire. The new positions will be synergistic with other athletic and University endeavors.

## ***University Athletics and Sports Entertainment***

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Athletics serve several purposes. MSUM athletics programs are designed to be in harmony with the essential educational objectives of the institution. For example, intercollegiate athletic competition helps foster an enthusiastic sense of shared allegiance among all parts of the University - students, faculty, staff, alumni, and friends. Consequently, MSUM offers an extensive array of varsity intercollegiate, club intercollegiate, and intramural competition opportunities, as well as a variety of physical education and recreational programs. MSUM community members can pursue athletic endeavors that meet their interests and skills.

MSUM strives for excellence at all levels of play, for wide participation in intercollegiate athletics, for balance within its athletic programs, and is committed to equal opportunity for men and women. MSUM proposes to start a DI Men's and Women's hockey program for the benefit of students, the University and the community. MSUM will need to provide a DI hockey program that is successful in meeting MSUM's mission and the mission of its athletic department. The program must develop a qualitative and entertaining product and, at a minimum, be revenue neutral for MSUM. Dragon Hockey, therefore, needs to be a success in the sports entertainment industry.

Dragon Hockey will have a good chance of succeeding in a community that has embraced hockey for years at various levels but has never had the opportunity to do so on the level of a DI program. MSUM's program will enhance a market that currently includes Concordia College's DIII program, five high schools with premier boys' and girls' hockey teams, and the USHL Fargo Force. A DI hockey program added to this market will build on an already strong hockey community by adding to its fan base MSUM students, alumni, faculty, and staff.

DI hockey programs have had a recent history of success in our region. Currently there are DI hockey programs at Bemidji State University, University of North Dakota, University of Minnesota Duluth, St. Cloud University, University of Minnesota, and Minnesota State University Mankato. The last five of these teams participate in the premier hockey league, the Western Collegiate Hockey Association (WCHA).

The WCHA men's league attendance has exceeded a million for fifteen consecutive seasons and has topped the million and a half mark the past six years. The WCHA leads the way in women's national attendance. The WCHA also led the nation with a total women's home attendance figure of 28,607. The University of Minnesota and the Minnesota Duluth ranked second and third, respectfully, in both categories of attendance.

The strong attendance trend is no different for the Moorhead community and its sister city Fargo, North Dakota. Moorhead High School hockey has had attendance that routinely sells out its home games. Dragon Hockey game attendance will be encouraged by the opportunity to watch the home games being played in the new \$27 million Urban Plains Center, which seats nearly 5,000 spectators.

## ***The Market for the MSUM Hockey Program***

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MSUM will market its new Division I hockey program to a community that has a strong history of hockey. An estimated 32,200 people live in Moorhead and 99,200 people live in Fargo. The Fargo-Moorhead metropolitan area had an estimated population over 195,000 as of 2008. The Fargo-Moorhead community has numerous post-secondary institutions including: Minnesota State University Moorhead, North Dakota State University, Concordia College and Minnesota State Community and Technical College. When combined, the schools have over 25,000 college students. The local public and private high schools with strong hockey programs have over 20,000 K-12 students enrolled.

The primary market demographics for MSUM hockey will include MSUM students, faculty, staff, alumni, and area families, sports fans and businesses. A new NCAA DI Hockey program coming to the area will lead to sellout crowds. Given the size of the Urban Plains Center, MSUM may have to work hard to sell out the facility. The University of North Dakota, however, operating in a much smaller community, has shown that it is very possible to fill a large arena. With its good product, UND has consistently sold out a facility that seats nearly 12,000 people.

MSUM has experience in promoting its athletic programs but not on the DI level. Ticket sales will be needed to support the funding of the hockey program. To reach the right customer segments, MSUM will use the following resources to locate specific members of its target market: student directories, alumni databases, local area hockey databases, the Chambers of Commerce directories, other business directories, and the Urban Plains Center databases. Ample media interest has been shown in the starting of a collegiate DI hockey program in the Fargo-Moorhead community. MSUM will need to build on the media's interest to spur advance tickets sales in the community.

MSUM will use a promotions mix to strategically market its DI Dragon Hockey. A variety of marketing communications tools will be used to execute the launch of the program (see Attachment A - Marketing Communication Strategy). Included in the promotion mix will be a continued emphasis on the use of public relations, which has already contributed positive attention to MSUM; selective advertising in newspapers, radio/television stations and outdoor mediums; direct marketing, including e-channel communications, and Website marketing; personal selling; and the use of sales promotions.

Among MSUM's marketing segments, MSUM alumni, staff, and faculty are traditionally the first group to support a new endeavor of their university. The typical purchasing cycle of the MSUM segment can be lengthy in terms of decisions to donate and will need to be shortened to immediate purchasing, given the fact that DI athletics will be a major step for MSUM. Students are typically spontaneous purchasers. However, students are also one of the first to purchase new products and services. Early feedback from the student body indicates strong support will flow from them because of their desire to see DI hockey at MSUM. The timing for a family to purchase tickets will also be good. The best time for families to make ticket purchases is during the beginning summer months of May and June. Early summer represents a time period before school purchases are made in August and affords a recovery time after Christmas. Children also will affect the purchasing cycle. If children decide they want to attend games at a later point in time, they will lobby their parents and extend the timing of their parents' purchase cycle.

Sports fans will be aware of the caliber of hockey MSUM will be bringing to the community and will probably be immediate purchasers. The time between creating awareness of the hockey program and purchase should be extremely short. Introducing DI Dragon Hockey now will also afford MSUM an opportunity to get on the agenda of the business segment of the market. Most businesses plan their budgets in the last few months of a calendar year or the first few months of the new year - this includes planning for advertising, corporate outings and tickets.

## **Market Pricing**

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MSUM Hockey will price its product similar to other area DI hockey programs. With a market of over 195,000 people and a new venue with seating of 5,000, pricing should be set at a level that is competitive yet supports MSUM's goal of making the hockey program self sufficient. Other DI programs have ticket prices that range from a low of \$14 to a high of \$30 (See Attachment B). An average ticket price in the middle should be attainable, given the seating limitations and the size of the target market. The moderate ticket prices will be part of the packages offered to donors to the program.

Additional revenue will come in the form of a donation, which a segment of the market will spend to support MSUM's hockey program for the right to purchase better seats. Giving prioritization to the best seats, by attaching it to the largest donation, is the norm in college sports programs, particularly DI sports.

## **Market Trends**

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MSUM has many reasons to be optimistic looking at the various trends among its marketing segments. While the campus segment is traditionally the first segment to support a new endeavor of the University, it is not necessarily the strongest segment for the near term future of the program. Over time, as the program matures, the campus related segment has the potential to grow and become the most robust segment. As evidenced by other hockey programs in the WCHA, students, who attended the hockey games as students and later become alumni, are the strongest fans and supporters. Another positive that the students bring to the game is the excitement surrounding collegiate hockey, and at the price of their tickets, the student seats should always be a sell out.

The most solid segment initially will be hockey fans in the metropolitan area wishing to see quality hockey without having to travel. Currently those fans travel 75 miles to Grand Forks for University of North Dakota WCHA hockey or 250 miles to see the professional NHL Wild. The community base will, if the other WCHA programs are any indication, grow stronger as the program becomes more competitive in the league. However, MSUM's continuing and growing support among fans will come only if quality opponents come to town and MSUM's team finds average or better success. The segment that includes families with children will grow stronger as the team becomes a more integrated part of the community. Family support will grow particularly among parents and children who play or have played hockey themselves.

The business segment will support the program and that support will grow with the success of the program. Businesses will see their support as part of their planning for advertising, corporate outings and entertainment for employees and/or customers. As the program's popularity grows, so will the interest of businesses in supporting the program.

All trends for the market segments are positive given two factors: quality teams playing at MSUM's home area, and MSUM being able to put an ever improving team on the ice. The teams in the WCHA that have had moderate win/loss records have found box office success. Long-term success will depend on MSUM becoming competitive in a conference that consistently brings quality opponents to its home ice.

## **Market Testing**

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MSUM will have an opportunity to do market testing as its program matures. Currently, one can look at the success of the USHL Fargo Force to see that a fan base can be developed for a quality hockey program in a new hockey arena. In the first year, the Urban Plains Center has seen the successful opening of the new facility with a new team. The Urban Plains Center has also proven that its staff and the arena could successfully handle a full house both during the USHL season as well as the International U-18 Hockey tournament.

## **Market Competition**

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The following sporting events have been identified as direct competition:

- UND Fighting Sioux Hockey
- Minnesota Wild Hockey
- Minnesota Vikings
- NDSU Athletics
- Fargo Force USHL Hockey
- Concordia Athletics
- High School Activities

MSUM's strength may come from the possibility of competing in same league that brings success to University of North Dakota. MSUM must get into a league that will bring quality teams to its home arena before it can capitalize on the league strength as a force of positive influence.

The following have been identified as indirect competitors:

- Concerts
- Movies
- Restaurants with in-house entertainment
- Youth activities

As with direct competitors, MSUM will identify and capitalize on its strengths over its indirect competitors and hedge against its weaknesses. For example, one weakness will be pricing. MSUM will need to promote the fun and unique experience of what DI hockey games can offer families and others over other forms of entertainment to hedge against ticket pricing.

The program's strengths and those of the competitors are another means of identifying the advantages of a program. The strengths may take many forms, but the most common include:

- An ability to satisfy customer needs
- A large share of the market and the consumer awareness that comes with it
- A good track record and reputation
- Solid financial resources and the subsequent staying power which that provides
- Key personnel

Weaknesses are the flip side of potential strengths. To determine what the program's weaknesses might be, the following items are identified:

- Will MSUM be able to satisfy customer's needs?
- Will MSUM's program have the ability to penetrate the market?
- Will MSUM be able to field a competitive team?
- Can the initial and sustaining financial resources be found?
- Can the program retain good people?

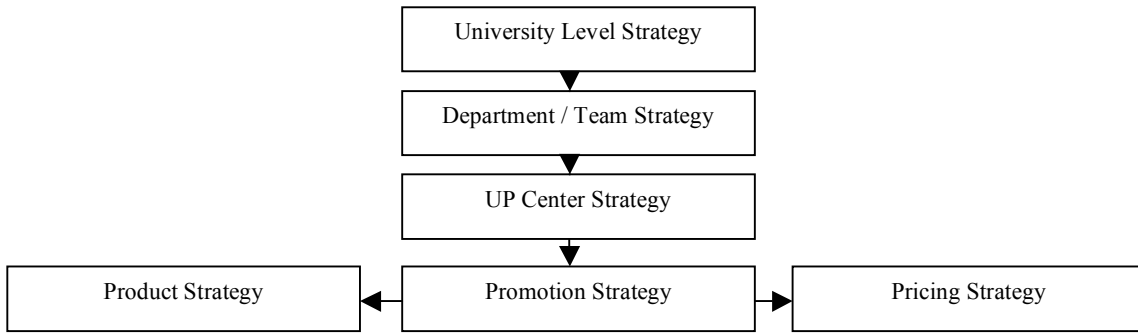
Weaknesses can be red flags for any business. As we move forward, we can continue to study other relatively new DI hockey programs (Bemidji, Omaha, etc.) to get a better sense of the challenges they've encountered. MSUM can then develop strategies that will allow it to preempt some of those similar growing pains.

## *Sales and Sales Strategies*

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MSUM Athletics currently uses an entirely in-house selling system which relies primarily on pre-existing awareness of games, faculty, staff, and alumni support, publicity, and word-of-mouth promotions. Establishment of a thriving DI Hockey program will require integration with the sales and marketing function of the Urban Plains Center. Creating a symbiotic relationship will be beneficial to both organizations.

The following diagram illustrates the relationships that must be developed as a plan is put into action:



The primary sales agents include more people than those assigned specifically to those roles. In reality, the viable sales force will include a winning team, the coach, an involved and visible athletic director, faculty, staff, alumni, standout athletes, prominent individuals in management roles at the host arena, and people in the community that live and breathe hockey. The other major player in a sales force will be the MSUM Office of Development and Alumni and Minnesota State University Moorhead Alumni Foundation, Inc. MSUM's relationships with its key donors and loyal alumni will be essential to the success of the hockey program. Given careful cultivation, the networking activities of today will provide for future success in developing both alumni relations and public-private partnerships.

Hockey will include a number of inventory items to sell, beginning with spectator seats. Reliability of service, when somebody wishes to buy a seat, is well served by a box office that is knowledgeable about the venue, available, and highly efficient. The most cost effective solution for ticket sales will be utilizing the existing box office at the Urban Plains Center. Sales integration with Ticketmaster® will involve a way of adding convenience for consumers. If you're available on Ticketmaster®, you gain credibility. Credibility in the marketplace will add equity to our brand.

MSUM will also require a sales unit that is able to promote the sale of season tickets, club seats, suites, permanent seat licenses, group tickets, parties, and special events. Appropriate training of authorized sales agents and use of technology such as dedicated Dragon ticket lines will help assure the MSUM brand is established and maintained.

Creating awareness in the community about Dragon Hockey will come in many forms. The sales organization above must be in place to seamlessly convert awareness and inquiry into sold inventory. Materials required to support the efforts of all selling agents will involve:

- Hockey Program Brochure (Recruitment focus)
- Hockey Program Brochure (Sales focus)
- Season Ticket Brochure
- Partial Ticket Plan Brochure
- Group Brochure
- Pocket Schedule
- Posters (Periodic campaign & schedule)

Creation of sales goals specific to the organization will assure targets are met. Without attendance and sales goals for each game, there is far less likelihood of achieving desired results.

Direct mail promotion can be employed to promote awareness, interest, and desire to experience the new Dragon Hockey program. Inclusion of Dragon Hockey literature, as part of future mailings, will facilitate communications with faculty, staff, alumni, and students. The sales expense will need to be included in the operation costs.

Each promotion and sales activity will provide a significant opportunity for student and community involvement. Some students may wish to gain real world experience by assisting in game preparations. Opportunities for involvement will help enthusiasm build for University athletics in general and for Dragon Hockey specifically.

Another inventory item to be considered is sponsorships. The Urban Plains Center has already offered a portion of sponsorship revenue from signage and advertising to MSUM. Additional sponsorship opportunities specific to University NCAA teams and in keeping with the MSUM brand identity goals will yield additional revenue, credibility, and opportunities for sales of co-branded merchandise. Co-branded merchandise will become a form of viral advertising, and will become a part of the culture of our University.

The net value of sponsorships will grow exponentially each time the new program achieves a higher level of success. Maximum value will be reached when the team becomes a consistent NCAA National playoffs contender. In the first few years of a new program, it will be very important for MSUM to field competitive teams – and have a road map for success. Success on the ice will strengthen sponsor support.

## Sales Cycle

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Pre-sale activities will commence immediately upon announcement of a tentative agreement to form a team and establish a relationship with a league. Press kits and an aggressive sales strategy to include a website for reserving ticket rights, a direct mail piece to individuals who are known hockey fans in the area, faculty, staff, alumni, and students should be launched immediately. The goal is to sell all available seats within a few weeks, creating excitement and an initial consumer database. All customers who initially reserve seats will enable us to create a database that will be useful for developing new partnerships. To keep the momentum going, publicity tactics such as video updates via the web from the team, snapshots of team play by recruits, and other energizing communication should be used.

Fan feedback will be important. Satisfied fans come back year after year. Simple survey tools can be integrated into the communications program to find out what is going well, what needs improvement, and gain valuable insights from the fans. In sports, not only are you selling an event – you are also consuming time. Many people find the time more valuable than the monetary price of the event. Attention needs to be given to developing an experience that gives an enthusiastic fan the adrenaline rush and camaraderie that keeps them coming back. In reality, the follow-up process will be as important as closing the sale.

## *Operations*

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### **MSUM Athletic Department**

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MSUM has a learning environment that enables its student athletes to achieve success in the classroom. MSUM, with its many educational programs, will be able to offer the student who plays hockey a quality college education. Current and past athletes have a proven record of success not only in their sports but in the classroom. In addition, MSUM has a safe and healthy campus setting.

MSUM Athletic Department has a proposed organizational structure (Attachment C) to support a new athletic team. The current leadership has the knowledge and background to handle the challenge of starting a DI program. There are several key personnel that will need to be hired to make this program a success. The selection of quality men's and women's head coaches will be vital to the program. It will be their job to fill their respective assistant coach positions. As in any program, the quality of its leadership will be a key to a successful future.

There are three additional positions that will be important to the success of the program. An Assistant Athletic Director will become a necessity if new donor relationships are to be maintained on a high level. A quality DI hockey program of the type envisioned will need an individual to assist the head coaches in managing all aspects of hockey, from the scheduling of games, practice facilities, and travel to planning the recruiting, game day needs, and managing student relations. The Sports Information Director will also require an assistant given the added media tasks brought on by the new hockey program. The position will have to assist the Sports Information Director with a variety of new tasks from securing statistics to coordinating media days. MSUM will also need to have a Ticket Sales Manager, even with the envisioned assistance of the Urban Plains Center, to assist in the origination and coordination of ticket sales. The Ticket Sales Manager will plan and oversee ticket sales at a managerial level, assuring that preferred stakeholders get the support they need and the arena stays full.

Complementing the abilities of the MSUM staff will be the staff of the Urban Plains Center. MSUM is fortunate that the Urban Plains Center staff has extensive knowledge about operating a high level hockey program. For instance, Todd Berning, President of the Metro Sports Foundation Board of Directors (MSF) that operates the Urban Plains Center, previously was the General Manager of the Ralph Engelstad Arena, home of UND hockey. Lance Johnson, the Urban Plains Center General Manager, and Sommer Lockhart, the Director of Marketing for the UPC, both worked at the Ralph before moving to Fargo. Dean Blais, who previously served as the Head Coach of the UND men's hockey team for 10 years, will be available for consultation. The combined knowledge of the MSUM and Urban Plains Center staff will lead to a quality and self-sustaining DI hockey program.

An agreement will be formed between the MSF and MSUM which will benefit both parties. A great deal of coordination needs to happen before the team takes the ice. There needs to be a clear understanding of duties of each party but the time is right as both parties have people with the experience and expertise to put this program together.

## ***Financial***

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Attachments D and E show a Pro Forma Budgets for the hockey program. The first budget (Attachment D) shows Dragon Hockey with 80% of the men's ticket and donor revenue expectations. The women's ticket sales are both at a lower price and donor revenue requirements and are shown for this budget at 25% of capacity. The second budget (Attachment E) shows Dragon Hockey with 100% of the men's ticket and donor revenue and with the women ticket sales and donor revenue at 30%. Both attachments have the same overstated expenses.

The budget at 80% shows Dragon Hockey having a revenue loss of (\$90,043) while the budget at 100% has a gain of \$322,490. The budgets show the need for the initial donor support as they include revenue from the initial donor funds. Good fiscal management and well forged agreements between the Metro Sports Foundation (MSF) and MSUM allows for an excellent opportunity to make this a revenue generating endeavor. To do so, MSUM will need to fill more than 85% of the seats for men's games and meet target sales goals for women's games on a consistent basis. With the additional earnings from other sources of revenue, the endeavor becomes exponentially more profitable with a fair agreement in place with MSF.

## **Revenues**

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The budgets show only the revenue from ticket sales and related donors as first projected by MSF. Further clarification on seating revenue generated by the Suite and Club seating will be needed. The 1,000 suite and club seats will generate revenue that can be included in ticket sales, donor revenue and/or be used to offset expenses such as practice ice time or the cost of game day officials. Even using a conservative seat ticket price of \$23.50, these seats represent nearly a half million dollars in revenue as shown in calculations of ticket sales in the budgets. The additional revenue that donors would provide for the opportunity to buy those seats would be another half million dollars. There needs to be an accounting of this revenue in the agreement with MSF.

An agreement with MSF should identify the division of profits on the merchandise sold by MSF. A successful program will sell a great deal of merchandise with MSUM's Dragon logo. The revenue from merchandise sales by UPC has been conservatively put in these budgets at \$11,000. The merchandise revenue could easily be five to ten times higher.

There is also potential revenue to the MSF and UPC for concessions and parking. There has not been adequate discussion on these line items to identify a value for them. It is understood that they both have value but whether they will be represented on future budgets as revenue sources for MSUM is to be worked out in the agreement. If one were to take the low average concession sales of \$8 per fan, the total dollars would reach one million dollars for the season. Once again, the current pro forma budget does not include the million dollars in revenue from these sources. Included in the agreement should be who has the control over the complementary tickets. The complementary tickets have value and therefore should be included in the final agreement between MSUM and MSF.

The potential for TV and radio revenue will depend on the success of the program and the quality of the opponent. Having a game against the University of North Dakota or the University of Minnesota will carry greater potential for TV and radio revenue than other lesser known programs. League membership like the WCHA will be vital part of future financial success.

There has been no other donor support placed in the two budgets other than investment revenue from the initial donor support of \$10,000,000. The ten million dollar goal is needed to defray the start up costs of the hockey program as well as sustain the program into the future. There is great potential for future donor support outside of the required donation to buy tickets. Other DI hockey programs have all experienced success in raising the awareness and donor response in general from having a hockey program. The discussion of bringing DI hockey to MSUM has already received a positive reaction from its current supporters and from the community at large. One can only expect that preliminary support will carry over in the future.

## **Expenses**

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After reviewing the budget of several current DI hockey programs, the expenses in Attachments D and E are the high end of the programs reviewed. The scholarships are based on the number required by the WCHA. If MSUM's team does not participate in the WCHA, the requirement is lower and would lead to a lower expenditure. General operating and the "Other" line items are in keeping with budgets from comparable programs. The cost of officials has the potential to be paid from other revenue sources that will be negotiated in the final agreement with MSF.

Hockey is an expensive sport for supplies and equipment. In reviewing the budget of other teams it appears that equipment is one area where the budget probably could not be much lower. There is also the unknown cost of practice ice time. This is an area of agreement that needs to be better spelled out with MSF and/or the Moorhead Youth Hockey Arena.

The coaching salaries are typical at the DI level for quality head coaches of both the men's and women's program. The salary expense would allow MSUM to be competitive in the market place for head coaches who have shown previous success. The cost of the new positions of Assistant Athletic Director, Assistant Sports Information Director, and Ticket Sales Manager are paid in this budget. The cost of travel both for team travel, administration and coaches' travel are high. If MSUM joins the WCHA, the travel costs number could be lower considering the number of nearby schools already in the league. Recruiting does not entail a lot of out-state travel. Most of the DI teams in the state of Minnesota have players from the state or from nearby. Nevertheless, out of region recruiting could be MSUM's best bet to achieve quicker success but would entail budgeting additional travel funds at the outset of the program.

It is expected that merchandise and program expenses will be offset on the revenue in the future but is not reflected as such in these budgets. The administrative fee charged for ticket sales may be a normal charge but again should be visited in any agreement with the MSF. This is particularly true with respects to all tickets sales including the suite and club seats. The promotion of the hockey program will initially be done by public relations, in place donor contacts and media attention. If the program is successful in the future there is probably little cost if any to the University in this area.

## ***Risks and Conclusions***

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### **Business Risks**

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A major risk to any athletic program is the performance of the team and its ability to attract and maintain support. Since the interest for high level hockey is already present in the community, it will be up to the athletic department leadership and its coaches to put together a quality program. As has been seen by other area DI programs, the team's success on and off the ice will assure its success financially. It is important that there be a league affiliation, preferably with the WCHA. The WCHA would allow for a reduction in expenses, particularly in the area travel, which no other league would bring.

The partnerships that are to be formed need to be maintained to assure continued success of the hockey program. There must be careful consideration when forming those partnerships to make sure that all parties understand their contribution and role in the future of the program. There are several critical partnerships, the first being the initial donors who will provide the needed capital support to initiate the program. These donor contributions need to be recognized and respected. The partnership with the Metro Sports Foundation will be critical and care has to be given for a full understanding of the respective roles of each in the program. Throughout the venture, care should be given to remember that, ultimately, it will be the students, particularly student athletes, who will help make this all possible.

### **Marketing Risks**

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MSUM must take advantage of the public's current desire to have its own DI Hockey program in Fargo-Moorhead. The window of opportunity may close and make it virtually impossible for MSUM to add DI hockey to its athletic program. As with any athletic program, the quality of the one's opponent and the team's success will ultimately determine whether you will earn media coverage and generate the fans and the needed financial support.

### **Operational Risks**

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Most of the operational risks will center on maintaining human resources. As with any University athletic program there will be a constant turnover of athletes, and the issue of maintaining quality student athlete will always be present. There will be, from time to time, a turnover of coaching and support staff, which will always present challenges to maintaining the quality of the program. Since having a quality venue from which to perform is essential to a DI program, maintaining a good relationship with MSF and its partner, the Fargo Park District, as well as the staff of the UPC will be of paramount important.

### **Conclusions**

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MSUM seeks to start a DI Hockey program to further its mission and the vision of the University. In doing so, MSUM has a unique opportunity to forge new and lasting partnerships with its students, alumni, faculty, staff, and the community. Now is the most opportune time to start a Division I Dragon Hockey at MSUM.

## Attachment A

### Developing an Integrated Marketing Communications Campaign

Objective is to create awareness among our target market that MSUM has added DI Men and Women's hockey on our campus.

**Strategy 1: Establish a theme for the communications campaign.**

**Rationale:** *Having a central theme adds a sense of unity and coherence.*

Tactic #1: Using a focus group of involved individuals, generate a list of possible themes and narrow the list to a few.

Tactic # 2: Concept-test the slogan[s] with people who represent our market segments.  
Example: "We moved from a state of denial to the State of Hockey – NCAA DI Dragon Hockey is here, now."

**Strategy 2: Use public relations to create pre-season knowledge about the addition of DI hockey.**

**Rationale:** *PR is a minimal cost communications tool.*

Tactic #1: Hold a press conference to announce that MSUM's plan to add hockey at the DI level is a go [include a written press release].

Tactic # 2: Use media interviews– evening news, radio talk shows, and daily news features to further spread the story [creates added interest, an understanding, and allows people to get answers to questions].

Tactic # 3: Develop printed story material that is distributed along with other MSUM recruitment materials to interested publics

Tactic # 4: Prepare and distribute Press Package to area media and media in the WCHA communities

Tactic # 5: Place the hockey story on MSUM's Website as well as directory contact information for our Sports Information Director and other point people.

Tactic # 6; Use event sponsorship - host an early season invitational hockey event for boys and girls at the high school level [something akin to a Fall-round-up]

**Strategy 3: Employ advertising to spread the word about the addition of DI hockey to MSUM's Athletic program.**

**Rationale:** *Advertising's strength is its ability to create awareness of a new product.*

Tactic # 1: Use out-of-home media to share the advertising message – outdoor billboards, bus wraps, bumper stickers, t-shirts, and so forth.

Tactic # 2: Use television advertising to generate awareness – time should be purchased with a priority being given to the Minnesota and North Dakota Boys and Girls High School Hockey Tournaments.

Tactic # 3: Use radio advertising to spread the word about DI Dragon Hockey. Radio is an inexpensive way to announce and remind an audience.

## Attachment B

### WCHA Team Pricing

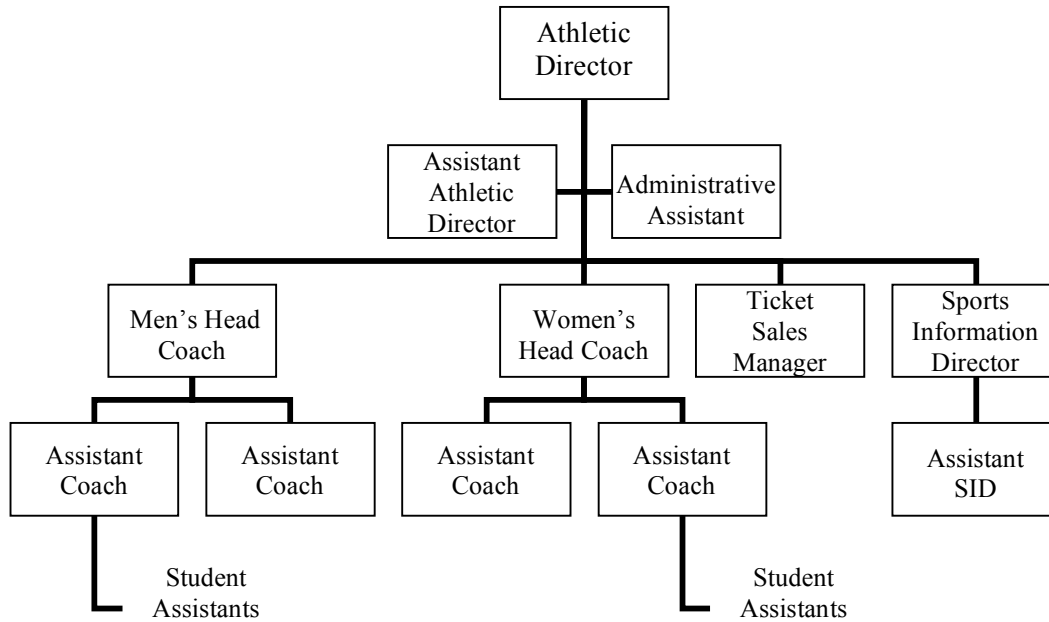
Team	Price-Adult	Price-Child	Notes
UND Hockey	\$22.50 / 28.50	\$12.50	Some Tiered Pricing
St. Cloud State University Hockey	\$15, \$20, \$25, \$30	\$15, \$20, \$25, \$30	Tiered depending on opponent
Bemidji State University Hockey	\$14, \$18	\$7, \$9	Tiered depending on location of seats
University of MN Duluth Hockey	\$18, \$25	\$13, \$25	Tiered depending on opponent (higher for UND and Wisconsin)
Minnesota State University Mankato Hockey	\$16-\$28	\$8-\$10	Tiered depending on opponent
University of MN Hockey	\$18, \$21, \$32, \$35	\$18, \$21, \$32, \$35	Tiered based on location and WCHA membership
Ohio State University Hockey	n/a	n/a	
Colorado College Hockey	\$13-\$20.50	\$13-\$20.50	Tiered depending on location
University of Alaska – Anchorage Hockey	\$13.25-\$18.50	\$13.25-\$18.50	Tiered depending on location
University of Denver Hockey	\$18, \$22, \$25	\$10, \$15, \$18	Tiered depending on location
Michigan Tech University Hockey	n/a	n/a	
University of Wisconsin Hockey	\$18, \$22	\$18, \$22	Tiered depending on location

### Area Competitor Pricing

Competitor	Price – Adult	Price – Child	Notes
Concordia Cobber Hockey	\$7.00	\$4.00	Tiered pricing for more competitive games (\$8, \$5)
Concordia Cobber Basketball	\$7.00	\$4.00	Tiered pricing for more competitive games (\$8, \$5)
MSUM Basketball	\$6.00	Free	
NDSU Football	\$15, \$20	\$5, \$15, \$20	Tiered depending on location
NDSU Basketball	\$5, \$12	\$5, \$12	Tiered depending on location
High School Hockey	\$6.00	\$4.00	
Fargo Youth Hockey	Variable	Variable	
Safari Movie Theater	\$2.00	\$2.00	
Movie Theaters	\$8.25	\$5.25	
Red River Zoo	\$7.00	\$4.00	
Chuck E Cheese	\$50 for a family of 4		
FM Red Hawks	\$5, \$6.50, \$8.50	\$4, \$6.50, \$8.50	Increases \$1-\$1.50 on day of game

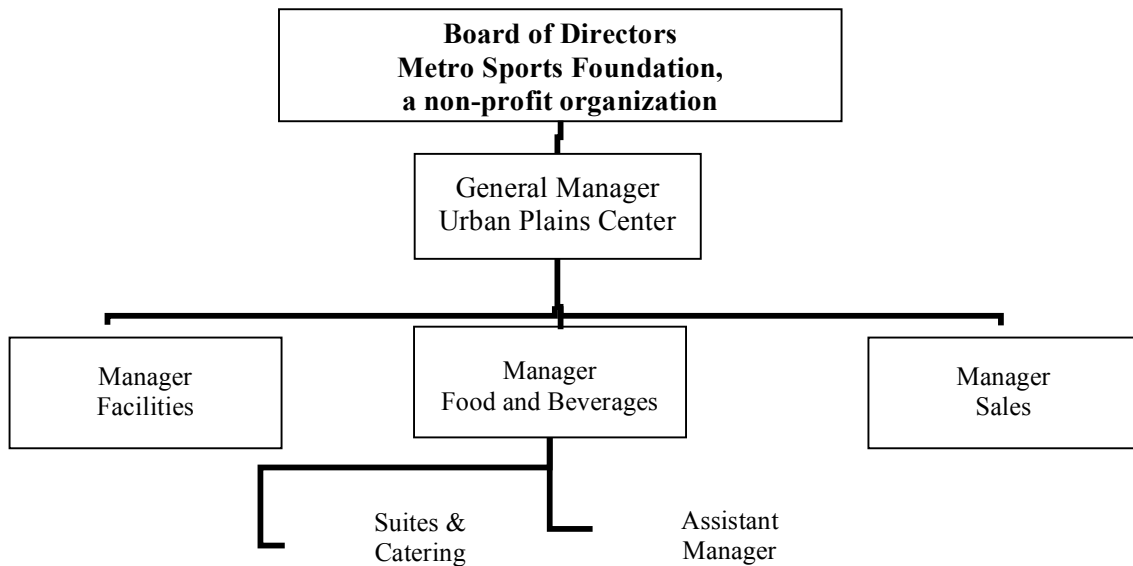
## Attachment C

### MSUM Athletic Department's Organizational Structure



Since the Athletic Director will work closely with the MSF/UPC, its organizational structure is included below.

### Metro Sports Foundation and the Urban Plans Center Organizational Structure



## Attachment D

### Budget Pro Forma (at 80% Men's and 25% Women's Ticket Sales and Dragon Fire)

Revenues	Total	MSUM Men	MSUM Women	
Ticket Sales	\$ 1,275,459	\$ 1,117,304	\$ 158,155	80% of Men's and 25% Women's Ticket Sales
Dragon Fire	\$ 581,625	\$ 559,600	\$ 22,025	80% of Men's and 25% Women's Dragon Fire
Merchandise	\$ 11,000	\$ 10,000	\$ 1,000	10% of Merchandise sold by the Urban Plains Center
Royalty Fee	\$ 7,000	\$ 6,000	\$ 1,000	10% of COGS by Merchandise sold by the Urban Plains Center
MSUM Merchandise	\$ 20,000	\$ 15,000	\$ 5,000	Sold by MSUM Athletic Department (COGS 60%)
Program Sales	\$ 7,000	\$ 5,000	\$ 2,000	Total Program Sales
Hockey Camp	\$ 25,000	\$ 12,500	\$ 12,500	Hockey Camp for kids
Advertising Inventory	\$ 100,000	\$ 100,000		<b>10% of total UPC advert inventory</b>
Suite & Club Seats	\$ -			<b>See the potential revenue (in bold) in Ticket and Dragon Fire below</b>
Concessions	\$ -			<b>Nearly \$800,000 if each attendee spends \$8 each</b>
Parking	\$ -			<b>To be negotiated with MSF (TBN)</b>
Television and/or Radio	\$ -			<b>TBN</b>
Contributions	\$ 400,000	\$ 200,000	\$ 200,000	4% investment income on initial donation of \$10,000,000
<b>Total Revenue</b>	<b>\$ 2,427,084</b>	<b>\$ 2,025,404</b>	<b>\$ 401,680</b>	
<b>Expenses</b>				
Scholarships	\$ 450,000	\$ 225,000	\$ 225,000	Men and Women with 18 students each at \$12,500
Coach Salaries	\$ 712,000	\$ 485,000	\$ 227,000	Head Coach, Two Paid Assistants, Benefits
New Support Positions	\$ 192,000	\$ 96,000	\$ 96,000	Asst AD, Asst SID, Ticket Manager
Recruiting	\$ 75,000	\$ 40,000	\$ 35,000	From the comparison with other budgets
Travel	\$ 300,000	\$ 150,000	\$ 150,000	Team Travel - based on U of M
Equipment	\$ 240,000	\$ 120,000	\$ 120,000	Equipment Cost includes start up costs amortized over 5 yrs
Promotion	\$ 70,000	\$ 50,000	\$ 20,000	Advertising team and games (run by UP or Dragon Fire)?
Hockey Camp	\$ 25,000	\$ 12,500	\$ 12,500	Cost of running the camps for MSUM Student Athletes
Membership	\$ 60,000	\$ 60,000	\$ -	WCHA Membership Fees
Admin Fee	\$ 10,000	\$ 5,000	\$ 5,000	From U of M Budget
Admin Coaches Travel	\$ 30,000	\$ 15,000	\$ 15,000	From the comparison with other budgets
Officials	\$ 66,000	\$ 33,000	\$ 33,000	From U of M Budget
General Operating	\$ 30,000	\$ 15,000	\$ 15,000	Non-uniform soft goods - pucks tape office equip
Repair & Maint	\$ 20,000	\$ 10,000	\$ 10,000	From the comparison with other budgets
Other	\$ 20,000	\$ 10,000	\$ 10,000	Printing, capital, other
Ticket Sales	\$ 89,282	\$ 78,211	\$ 11,071	7% for C.C. charge and ticket print
Ice Rental	\$ 108,845	\$ <b>83,845</b>	\$ 25,000	<b>TBN Ice time paid by 5% fee on Ticket Sales and Dragon Fire to MSF</b>
Merchandise	\$ 12,000	\$ 9,000	\$ 3,000	Cost of merchandise for MSUM sales
Program Sales	\$ 7,000	\$ 5,000	\$ 2,000	Printing/production
<b>Total Expenses</b>	<b>\$ 2,517,127</b>	<b>\$ 1,502,556</b>	<b>\$ 1,014,571</b>	
Revenue Gain (Loss)	\$ (90,043)	\$ 522,848	\$ (612,891)	

Revenues	Quantity	Men's Ticket Price	Women's Ticket Price	Games	Revenue Ticket	Revenue Dragon Fire	Revenue Ticket	Revenue Dragon Fire	Total
Based on cap of 80% for men's and 25% for women's									
					Men's	Women's			
Center Ice	450	\$ 425	\$ 220	1	\$ 153,000	\$ 187,500	\$ 24,750	\$ 5,625	\$ 370,875
Blue Line	1,018	\$ 425	\$ 210	1	\$ 346,120	\$ 254,500	\$ 53,445	\$ 12,725	\$ 666,790
Corners	588	\$ 425	\$ 200	1	\$ 199,920	\$ 117,600	\$ 29,400	\$ 3,675	\$ 350,595
Student Season	300	\$ 150	\$ 80	1	\$ 36,000		\$ 6,000		\$ 42,000
Student Single	300	\$ 10	\$ 6	20	\$ 48,000		\$ 9,000		\$ 57,000
Single	889	\$ 24	\$ 8	20	\$ 334,264		\$ 35,560		\$ 369,824
Comps	150			20	\$ -				\$ -
<b>Total Ticket Revenue</b>					<b>\$ 1,117,304</b>	<b>\$ 559,600</b>	<b>\$ 158,155</b>	<b>\$ 22,025</b>	<b>\$ 1,857,084</b>
Suite Sales (Not Included)	654	\$ 425	\$ 220	20	<b>\$ 222,360</b>	<b>\$ 272,500</b>	<b>\$ 35,970</b>	<b>\$ 8,175</b>	<b>\$ 539,005</b>
Club Seats (Not included)	401	\$ 425	\$ 200	20	<b>\$ 136,340</b>	<b>\$ 167,083</b>	<b>\$ 20,050</b>	<b>\$ 5,013</b>	<b>\$ 328,486</b>
<b>Potential Revenue</b>									<b>\$ 867,491</b>

#### Men's Dragon Fire

- Center Ice = \$3,125 Donation to Dragon Fire and a maximum of 6 season tickets. Ticket Price \$945.83 / 789.58 after tax deduction
  - Blue Line = \$1,250 Donation to Dragon Fire and a maximum of 4 season tickets. Ticket Price \$737.50 / 643.00 after tax deduction
  - Corners = \$500 Donation to Dragon Fire and a maximum of 2 season tickets. Ticket Price \$675.00 / 600.00 after tax deduction
- Tax deduction @ 30% of donations - Center Ice \$937.50, Blue Line \$375, Corners \$150

#### Women's Dragon Fire

- Center Ice = \$300 Donation to Dragon Fire and a maximum of 6 season tickets.
- Blue Line = \$200 Donation to Dragon Fire and a maximum of 4 season tickets.
- Corners = \$100 Donation to Dragon Fire and a maximum of 2 season tickets.

Non Student Season Tickets include 1 parking pass per 2 tickets.

This does not include any playoff games

## Attachment E

### Budget Pro Forma (at 100% Men's and 30% Women's Ticket Sales and Dragon Fire)

Revenues	Total	MSUM Men	MSUM Women	
Ticket Sales	\$ 1,586,416	\$ 1,396,630	\$ 189,786	100% Men's and 30% Women's Ticket Sales
Dragon Fire	\$ 725,930	\$ 699,500	\$ 26,430	100% of Men's and 30% Women's Dragon Fire
Merchandise	\$ 11,000	\$ 10,000	\$ 1,000	10% of Merchandise sold by the Urban Plains Center
Royalty Fee	\$ 7,000	\$ 6,000	\$ 1,000	10% of COGS by Merchandise sold by the Urban Plains Center
MSUM Merchandise	\$ 20,000	\$ 15,000	\$ 5,000	Sold by MSUM Athletic Department (COGS 60%)
Program Sales	\$ 7,000	\$ 5,000	\$ 2,000	Total Program Sales
Hockey Camp	\$ 25,000	\$ 12,500	\$ 12,500	Hockey Camp for kids
Advertising Inventory	\$ 100,000	\$ 100,000		10% of total UPC advert inventory
Suite & Club Seats	\$ -			<b>See the potential revenue (in bold) in Ticket and Dragon Fire below</b>
Concessions	\$ -			<b>Nearly \$1,000,000 if each attendee spends \$8 each</b>
Parking	\$ -			<b>To be negotiated with MSF (TBN)</b>
Television and/or Radio	\$ -			<b>TBN</b>
Contributions	\$ 400,000	\$ 200,000	\$ 200,000	4% investment income on initial donation of \$10,000,000
<b>Total Revenue</b>	<b>\$ 2,882,346</b>	<b>\$ 2,444,630</b>	<b>\$ 437,716</b>	
<b>Expenses</b>				
Scholarships	\$ 450,000	\$ 225,000	\$ 225,000	Men and Women with 18 students each at \$12,500
Coach Salaries	\$ 712,000	\$ 485,000	\$ 227,000	Head Coach, Two Paid Assistants, Benefits
New Support Positions	\$ 192,000	\$ 96,000	\$ 96,000	Asst AD, Asst SID, Ticket Manager
Recruiting	\$ 75,000	\$ 40,000	\$ 35,000	From the comparison with other budgets
Travel	\$ 300,000	\$ 150,000	\$ 150,000	Team Travel - based on U of M
Equipment	\$ 240,000	\$ 120,000	\$ 120,000	Equipment Cost includes start up costs amortized over 5 yrs
Promotion	\$ 70,000	\$ 50,000	\$ 20,000	Advertising team and games (run by UP or Dragon Fire)?
Hockey Camp	\$ 25,000	\$ 12,500	\$ 12,500	Cost of running the camps for MSUM Student Athletes
Membership	\$ 60,000	\$ 60,000	\$ -	WCHA Membership Fees
Admin Fee	\$ 10,000	\$ 5,000	\$ 5,000	From U of M Budget
Admin Coaches Travel	\$ 30,000	\$ 15,000	\$ 15,000	From the comparison with other budgets
Officials	\$ 66,000	\$ 33,000	\$ 33,000	From U of M Budget
General Operating	\$ 30,000	\$ 15,000	\$ 15,000	Non-uniform soft goods - pucks tape office equip
Repair & Main	\$ 20,000	\$ 10,000	\$ 10,000	From the comparison with other budgets
Other	\$ 20,000	\$ 10,000	\$ 10,000	Printing, capital, other
Ticket Sales	\$ 111,049	\$ 97,764	\$ 13,285	7% for C.C. charge and ticket print
Ice Rental	\$ 129,807	<b>\$ 104,807</b>	\$ 25,000	<b>TBN Ice time paid by 5% fee on Ticket Sales and Dragon Fire to MSF</b>
Merchandise	\$ 12,000	\$ 9,000	\$ 3,000	Cost of merchandise for MSUM sales
Program Sales	\$ 7,000	\$ 5,000	\$ 2,000	Printing/production
<b>Total Expenses</b>	<b>\$ 2,559,856</b>	<b>\$ 1,543,071</b>	<b>\$ 1,016,785</b>	
Revenue Gain (Loss)	\$ 322,490	\$ 901,559	\$ (579,069)	

Revenues	Quantity	Men's Ticket Price	Women's Ticket Price	Games	Revenue Ticket	Revenue Dragon Fire	Revenue Ticket	Revenue Dragon Fire	Total
<b>Season Ticket Sales</b>									
					Men's		Women's		
Center Ice	450	\$ 425	\$ 220	1	\$ 191,250	\$ 234,375	\$ 29,700	\$ 6,750	\$ 462,075
Blue Line	1,018	\$ 425	\$ 210	1	\$ 432,650	\$ 318,125	\$ 64,134	\$ 15,270	\$ 830,179
Corners	588	\$ 425	\$ 200	1	\$ 249,900	\$ 147,000	\$ 35,280	\$ 4,410	\$ 436,590
Student Season	300	\$ 150	\$ 80	1	\$ 45,000		\$ 7,200		\$ 52,200
Student Single	300	\$ 10	\$ 6	20	\$ 60,000		\$ 10,800		\$ 70,800
Single	889	\$ 24	\$ 8	20	\$ 417,830		\$ 42,672		\$ 460,502
Comps	150	\$ -	\$ -	20	\$ -		\$ -		\$ -
<b>Total Ticket Revenue</b>					<b>\$ 1,396,630</b>	<b>\$ 699,500</b>	<b>\$ 189,786</b>	<b>\$ 26,430</b>	<b>\$ 2,312,346</b>
Suite Sales	654	\$ 425	\$ 220	20	<b>\$ 277,950</b>	<b>\$ 340,625</b>	<b>\$ 57,552</b>	<b>\$ 13,080</b>	<b>\$ 689,207</b>
Club Seats	401	\$ 425	\$ 200	20	<b>\$ 170,425</b>	<b>\$ 208,854</b>	<b>\$ 32,080</b>	<b>\$ 8,020</b>	<b>\$ 419,379</b>
							<b>Potential Revenue</b>		<b>\$ 1,108,586</b>

**Men's Dragon Fire** \$3,125 Donation to Dragon Fire and a maximum of 6 season tickets. Ticket Price \$945.83 / 789.58 after tax deduction  
 Center Ice = \$1,250 Donation to Dragon Fire and a maximum of 4 season tickets. Ticket Price \$737.50 / 643.00 after tax deduction  
 Blue Line = \$500 Donation to Dragon Fire and a maximum of 2 season tickets. Ticket Price \$675.00 / 600.00 after tax deduction  
 Corners = Tax deduction @ 30% of donations - Center Ice \$937.50, Blue Line \$375, Corners \$150

**Women's Dragon Fire** \$300 Donation to Dragon Fire and a maximum of 6 season tickets.  
 Center Ice = \$200 Donation to Dragon Fire and a maximum of 4 season tickets.  
 Blue Line = \$100 Donation to Dragon Fire and a maximum of 2 season tickets.  
 Corners =  
 Non Student Season Tickets include 1 parking pass per 2 tickets.

\* This does not include any playoff games