

Case Study: Vendor Contract Negotiation & Hiring – Texas A&M University



Texas A&M University has utilized *Win AD* for 3 vendor negotiations to study market conditions and ensure they were able to structure the best possible contracts. They have also relied on *Win AD* when hiring coaches and benchmarking compensation trends nationally. Texas A&M Deputy Athletics Director, **Marcy Girton**, shares her experience in using *Win AD* and specifically why *Win AD* is worth the investment for D-I athletics departments.

Winthrop Intelligence would like to thank Marcy Girton at Texas A&M University



Marcy Girton
Chief Operating Officer at Auburn
(Formerly at Texas A&M)

How does *Win AD* help prepare you for Vendor Negotiations?

"The most important tool *Win AD* delivers for us is the information that contributes to a thorough assessment of market value. In researching personnel salaries or vendor contracts, we have an entire database at our fingertips to review terms, conditions and best practices, all of which are very important elements in our decision-making processes. A good understanding of the market provides for effective negotiations, and that's extremely valuable."

"Regarding the negotiation of vendor contracts, media reports and word-of-mouth information on terms and revenue of particular deals doesn't provide a complete picture. In multimedia rights agreements, for example, the inventory provided to the multimedia rights holder by the university can vary substantially, impacting the value of the contract. University X may include pouring rights in their multimedia inventory, and University Y may not include such rights. This inventory element can make a significant impact on the total value of the multimedia rights contract. With access to these contracts on *Win AD*, we can review all of the elements included in a deal and make a true comparison. *Win AD* helps us in our preparation for and discussions in our vendor negotiations."

"Vendors do extensive market analysis on potential clients, and they know the value of these clients in the marketplace. *Win AD* helps us become well-educated about the market and our value in it. In preparing for our apparel contract negotiations with the information we have access to on *Win AD*, we learned the importance of defining the value of product by wholesale versus retail numbers, as well as the significance of the retail and licensing components of these deals. "

"The ability to study contracts on *Win AD* is incredibly beneficial. We spend hours reading over these agreements in preparation for vendor negotiations and in establishing our expectations. It's also helpful in determining how we can structure the best deals for Texas A&M."

" *Win AD* is extremely helpful and worth the investment. The value we've received is well beyond what we pay on an annual basis."

- Marcy Girton

Specifically where did *Win AD* impact the outcome of recent vendor contracts?

"We've used *Win AD* for our concessions, apparel and multimedia rights negotiations in the past few years. It was critical in our multimedia rights negotiations to fully understand not just the total vendor offer from a financial standpoint but also the impact of each inventory category on the bottom line. There were a few inventory categories we weren't able to include due to existing university contracts in pouring rights and concessions. We were able to determine the approximate value of those excluded categories and ensure the offers we received were comparable to other deals in the marketplace."

"When preparing for a vendor negotiation, we start with a market assessment of the financial value and terms. Just as critical as studying the market in these areas is an analysis of the elements of the contract. It's really important to understand the definition of terms used in the request for proposal (RFP) and final contract. Those definitions can make a substantial difference. Terms like revenue, net revenue and reimbursable expenses can impact the bottom line depending upon the definition. Reading through contracts on *Win AD*, it was obvious these terms are defined in a variety of ways. We studied those definitions and were able to craft language that was clear, specific and met our expectations."

"Another example of the importance of contract language may be found in the term, 'first right of refusal.' If vendor contracts provide for this right, special attention needs to be given to the process and how it's defined. If a contract only allows for a few months to renegotiate a new deal, an athletics department could get caught in a year without the appropriate service or product. Reviewing first right of refusal language in *Win AD* helped us prepare a very well-defined process, along with an appropriate time line in the event a new vendor secured the business in the future."

How does *Win AD* help with hiring and salary benchmarking?

"In hiring and salary benchmarking, we always go to *Win AD* first. Many conference offices have salary data that may be shared among its schools, but with *Win AD*, we can get a national or regional perspective. Most of the time, we're not hiring within our conference, but rather from a regional or national pool of candidates. We need to know the salary landscape, first, so we can appropriately prepare to hire, justifying our position and securing the necessary administrative support; and second, ensure we are offering a competitive salary."

"When we're focusing in on a final small candidate pool for a particular position, it's beneficial to review current employment contracts for these candidates. For coaching positions, we can know in advance the salary and bonus structures of current positions, as well as any buy out that may be part of accepting new employment."

"The salary data that's available to us on *Win AD* is extremely helpful in evaluating our personnel contracts. Periodically, we review our salaries relative to the competition to ensure we're providing equitable compensation. We want to be fair and comparable with the market based on our programs' performances. Many administrators have had those visits with their coaches in which the coach states, 'the coach at our rival school is making X amount of dollars.' When those conversations occur, it's great to be able to log into *Win AD* and immediately know the rival coach's salary, and to be able to make informed decisions about the compensation of our staff."



TO LEARN MORE ABOUT *WIN AD*

Contact Kevin Barefoot at **800-218-2280** or Kevin@WinthropIntelligence.com

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Can you share some other examples of how *Win AD* has been valuable?

"Efficiency is a big factor with *Win AD*. Before *Win AD*, administrators would call their counterparts across the country to generate information about vendor contracts and employment agreements. This was a time intensive practice and generally didn't produce the comprehensive and accurate data needed to be well-informed in the decision-making process. *Win AD* eliminates the labor, saves time and provides comprehensive and accurate information."

"The game guarantee business is challenging because we're competing against our conference counterparts and others who have the same needs we do when it comes to scheduling these precious few non-conference games in football and men's basketball. Competition drives the market and guarantees continue to escalate. *Win AD* has been a very good source to provide real time, accurate data about market rates for guarantee games."

"*Win AD* is particularly valuable in ensuring we're prepared and that we understand our market value. For coaches' contracts or vendor deals, we can turn to *Win AD* and get the precise and timely information we need to make the best possible decisions."

What would you tell other administrators about the value of *Win AD* ?

"*Win AD* is extremely helpful and worth the investment. The value we've received is well beyond our cost on an annual basis. The accuracy and effectiveness of our decisions is based on the quality of information available to us. We're not in a static business and we're making decisions on a weekly basis that have a substantial impact on our department from a financial and partnership standpoint. Having all of this quality data at our fingertips is well worth the investment."



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