

WINAD

THE WINTHROP CLINIC: FCS Football Playoffs and Finances



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The Winthrop Clinic is a special AD-only series of publications to help administrators utilize *Win AD*'s continually expanding data and updated features. Each edition provides ADs with turn-key, actionable content on employing innovative ideas and strategies in order to improve performance, increase revenue, and save time by harnessing the power of *Win AD*.

In this edition of *The Winthrop Clinic*, we offer a look at the FCS football playoff picture. What are the financial commonalities between programs that consistently excel and where should programs looking to improve their post-season chances be allocating resources?

First, we will evaluate the finances between the playoff teams and the non-playoff teams. Next, we will look deeper into the schools that appeared in the playoffs to see how they demonstrate success over time. Finally, we will examine the champions, as well as two schools that have made the playoffs in each of the last four years.

While no one single factor ensures success on the field, a wider financial view can augment an Athletic Department's competitive analysis and strategy. All information is from the *Win AD* database and is presented in the hopes of providing ADs with valuable information for benchmarking and allocating financial resources for post-season excellence.



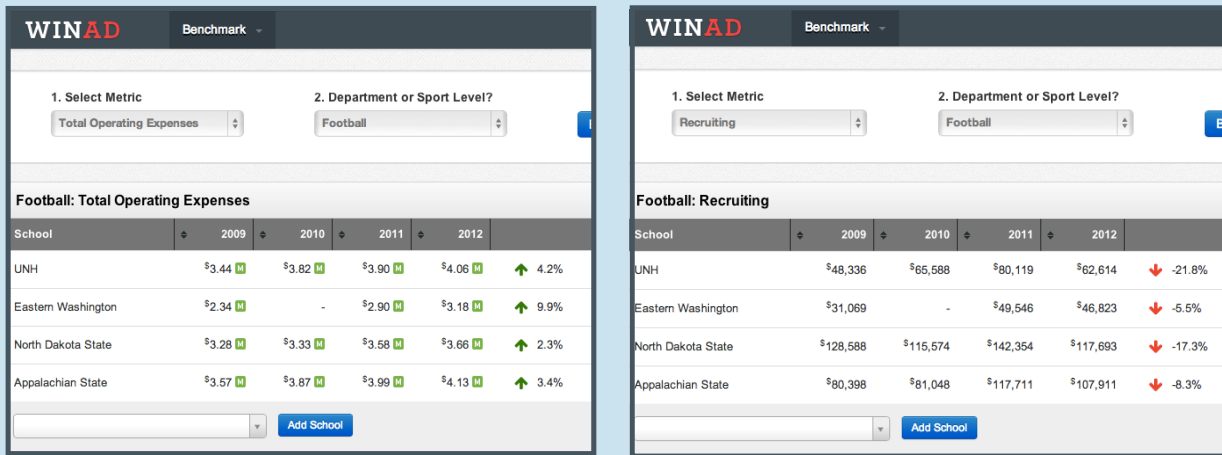
FOOTBALL FINANCES: TOTAL EXPENSES AND RECRUITING

We evaluated 124 institutions from 2010 to 2013. Of those 124 schools, 44 (35.5%) made the playoffs, and 22 appeared in the playoffs for more than one year. In particular, five schools stand out for having won championships or made the playoffs in each of the last four years: Villanova University, North Dakota State University, and Eastern Washington University were champions, while Appalachian State University and University of New Hampshire both have enjoyed four-year playoff runs.

In comparing the finances in the FCS playoffs, teams that made the cut spent about \$3,647,743 per year in total football operating expenses, while non-playoff teams spent about 1 million dollars less, averaging \$2,751,091 per year. Playoff teams spent roughly 33% more than the non-playoff teams in total expenses.

Additionally, those teams reaching the playoffs spent about \$76,198 per year on recruiting; comparatively, the non-playoff teams spent nearly \$10,000 dollars less at \$65,482 per year, roughly 16% less than the non-playoff teams. It is important to note that the impact of success based on the amount spent on recruiting does typically exhibit a time lag, although the data indicate that successful teams tend to spend at a higher level.

Win AD MEANS BETTER DATA, BETTER DECISIONS



Win AD clients enjoy the ability to create up-to-date comparison between peers and rival institutions using the Benchmark feature—unlocking years of NCAA financial reports for customizable financial analysis in all sports. You’ll see everything from macro revenue and expense trends, to sport-level data. It’s a vital, user-friendly tool for financial decision-making. The above in-system view shows key expense categories for schools that made consecutive playoff appearances over a four-year period.

The Win AD database also includes department profiles, overviews that provide a 4-year snapshot of key performance and financial trends (aggregate and line-item level), as well as a summary of staff, coaches, and support staff for a contextual comparison.

Another interesting facet of these comparisons is in how deep teams went into the playoffs and how much they spent to get there. Without question, the teams making only the first round of the playoffs spent, on average, the least amount of money. For those that made just the first round of the playoffs, we found that they spent approximately \$2,980,808 per year on all expenses, while coming in at \$45,370 per year on recruiting.

Notably, the playoff teams spent more at the semifinals and the quarterfinals: in total expenses at the semifinals, an average of \$4,154,824; in recruiting expenses at the quarterfinals, an average of \$92,865.

AVERAGE FOOTBALL OPERATING EXPENSE BY PLAYOFF ROUND

- TOTAL
- LINEAR (TOTAL)

Postseason Distance 2010-2013
(6=champion, 5=runner-up,
4=semifinalist...)





A DEEPER LOOK AT RECRUITING

Of the 44 schools making the finals and the semifinals, the average spent on recruiting was about 1.85% of total football operating budget. Over the past four years, there have been a handful of institutions that made the playoffs only once. Those schools are: Southern Illinois, Richmond, McNeese, Weber State, Elon, Holy Cross, Robert Morris, Southeast Missouri State, Illinois State, California Polytechnic State, Wagner, and Colgate.

Typically, these schools spent significantly more on recruiting compared to the schools that won championships, made the semifinals, or repeatedly appeared in the playoffs in the past four years. On average, these schools spent about 2% of their total expenses on recruiting, with a few outliers—Norfolk State and JMU. In 2012, Norfolk State made the first round of playoffs and spent only .8% on recruiting (\$21,071). Also in 2012, JMU made the second round of playoffs and spent only .92% on recruiting (\$60,608). Interestingly, in evaluating the strength of schedule, it seems that the strength of one's opponents has little bearing on the outcome of which teams make the playoffs. There was a much higher correlation with percent of expenses spent on recruits.



EXAMINING THE CHAMPIONS

Below we summarize the distinguishing features of those who have continually advanced successfully in the FCS playoffs over the last four years. It is important to note that the impact of success based on the amount spent on recruiting does typically exhibit a time lag.

Villanova: 2010 Champion

- Appeared in the playoffs each year since winning the championship
- 14 wins, 1 loss during championship year (1 loss within Colonial Athletic conference)
- 978 APR
- Strength of schedule of 1

Eastern Washington: 2011 Champion

- Appeared in playoffs 3 times in last 4 years.
- During championship season, total football-operating budget of \$2,901,998; recruiting expense at \$49,546
- 13 wins and 2 losses, during championship year (1 of 2 losses within Big Sky conference)
- 935 APR
- Strength of schedule of 6

North Dakota State: 2012 & 2013 Champion

- 14 wins, 1 loss in 2012, and 2013 (1 loss within Missouri Valley conference)
- During championship year (2012), total expense of \$3,663,103; recruiting expense at \$117,693.
- APR of 964 in 2012; 952 in 2013
- Strength of schedule of 10 in 2012; 26 in 2013



EXAMINING TEAMS WITH FOUR-YEAR PLAYOFF RUNS

Appalachian State: Made Playoffs Past 4 Years

- Playoff appearances in each of the past 4 years
- In 2011, they spent nearly \$36,000 more than the previous year on recruiting (amounting to 2.95% of total expense)

New Hampshire: Made Playoffs Past 4 Years

- Playoff appearances each year of the last four years
- Spent 1.71% of its total expenses on recruiting in 2010, \$15,000 more on recruiting in 2011 (2.05% of total expense)
- Cut recruiting expenses in 2012 by about \$17,000; recruiting totaling 1.54% of the total operating expenses



TAKE-AWAYS

Responsible allocation of financial resources and competitiveness on the field is a balance that every FCS team attempts to strike. In the FCS, teams that made playoffs spent roughly a third more than those that did not. And though it seems clear that one must invest in order to see marked improvement on the field, playoff teams spent only 16% more on recruiting than those that did not, a difference of a little more than \$10,000.

- > The financial data listed in this Report can be found in Win AD's Financials and Athletic Department databases. Contact Kevin Barefoot (800-218-2280 or Kevin@WinthropIntelligence.com) to schedule a demo and discover how Win AD is helping FCS programs of all sizes and budgets increase revenue and save money with the best data available anywhere.

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