

**Operational, Financial and
Comparison Analysis
For the University Bookstore
Of
The Faculty Student Association
Of Downstate Medical Center, Inc.
By
Duvall Consulting Group, LLC**

Scope:

The Duvall Consulting Group, LLC (DCG) (Duvall Group) will provide to Faculty Student Association of Downstate Medical Center, Inc.(FSA) a Comparative Analysis and Operational and Financial Review of its institutionally operated bookstore as that operation relates to the college bookstore industry and its potential. Based upon this review, as well as the financial analysis, customer service implications, and personnel capabilities, the Duvall Group will provide a comparative analysis of the self-operation mode vs. the leased and virtual operating model.

Method of Implementation:

The Duvall Group will review the preliminary data form (attached), to be completed by FSA. In addition the DCG will conduct a survey of the University Bookstore student, faculty and employee users to provide additional information for their preliminary review. Once the preliminary review has been completed, an onsite visit will be provided. This site visit will be for observation purposes and will be two days in duration. A review of the bookstore operation will be conducted. The review will include, but not be limited to, the following areas:

Competition	Product Mix
Computerization	Receiving
Inventory Control	Security Services
Personnel	Staff Management
Physical Layout	Supply Procedures
Planning	Textbook Procedures (new, used, and rental)
Point of Sale	Survey of Students, Faculty and Employees

Following the site visitation and data collection period, the Duvall Group will review and analyze the information. A financial report will be generated. This report will indicate where the Bookstore should be financially currently plus a one to five year project by year. A written summary of the findings will provide the financial positioning, financial controls, and an analysis of operations that will be required to meet expected results. The report will provide a comparison between the self-operated mode and the expected results of outsourcing. The various aspects of service and financial comparative data will be provided. The goal of this analysis is to provide sufficient information so that FSA management can take appropriate action in providing the University with whatever level of bookstore services can be financially viable.

Deliverables:

- Written Summary of findings including analysis of hours of operation, staffing requirements, equipment needs, highlighting strengths and weaknesses of current operation and steps required to meet our goal.

Written summary of the survey finding broken down by question and user groups defined (students, faculty, employees) along with the number of respondents in each group by question.

- Recommendations for improving the operation to include, but not limited to, strategies for improvement of financial return, and service levels and the relationship between these costs as service levels increase.
- Five Year Financial Projection for Institutional and Contract Operation including any recommended or required cash infusions in order to meet capital or project modifications.
- Operational and Customer Service points relative to outsourcing decisions

Timeline:

- January 26---The preliminary data collection and review period will begin immediately upon acceptance and signing of the agreement by both parties.
- February 19, 20---2-day on-site data collection
- March 12--- delivery of preliminary Analysis Report to the FSA management
- March 19---delivery of final Analysis Report to the FSA management

Charges:

The charges for the services as outlined above will be fourteen thousand nine hundred fifty dollars (\$14,950) inclusive of travel expenses.

Terms:

Upon acceptance of the terms of this agreement, FSA will provide a payment of \$5,000. The second payment of \$5,000 will be provided upon delivery and review of the preliminary analysis to the FSA management and the balance of \$4,950 will be due 15 days after submission and acceptance of the final report by DCG to FSA on March 19, 2015.

To indicate acceptance of the terms contained herein please sign below.

 Richard Bentley
 President
 Faculty Student Association of
 Downstate Medical Center, Inc.
 Date _____

 Ronald E. Duvall
 Chairman/CEO
 Duvall Consulting Group, LLC
 Date 1/20/2015 _____

Preliminary Data Request

Faculty Student Association Bookstore

- I. University objectives for the Bookstore:
 - A. Financial - Describe the University's expectations for financial return from the operation. If possible, state the specific goals or contributions to be made annually to the University. Include overhead assessments made against the store's operation.
 - B. Service – Detail the service goals expected from the Bookstore. Explain the “non-cash contributions” made by the Bookstore that the campus has grown to expect.

- II. Student Body Information:
 - A. Enrollment history (three years)
 - B. FTE totals (three years)
 - C. Financial Aid recipients (%)
 - D. Types of Financial Aid most commonly received

- III. Bookstore Personnel:
 - A. Number of full time employees
 - B. Number of part time employees (non-student)
 - C. Number of student employees
 - D. Method of payment for students (i.e. work study, direct from store, etc.)
 - E. Organization Chart

- IV. Growth projections for the College
 - A. Enrollment
 - B. Construction

- V. Competition
 - A. Locations
 - B. Ownership
 - C. Description of primary offerings and perceived strength of operation

- VI. Operating Statements for last three years

INTRODUCTION

Duvall Consulting Group, LLC has been in the consulting business since 1992 and has grown to be the premier consulting firm in the country exclusively serving higher education. The Duvall Group is a member NACAS, as well as a participant and business partner in numerous regional associations. Duvall Group principals have been presenters on programs for national associations and receive high marks on the presentations. Additional information may be reviewing by visiting our web site at www.duvallgroup.com.

Duvall Consulting Group has worked with all types of bookstores serving public and private institutions, both large and small. As the enclosed information is reviewed, it should be noted that the principal individuals have experience in actually managing institutionally-operated and contract-managed stores. We believe this is essential to understanding all sides of the store evaluation process.

Duvall Consulting Group is proud of its professionalism and serves its clients with information designed to secure the best possible bookstore operation available. The Duvall Group will use its experience in evaluating bookstore operations to guide the College in the process of developing the best course of action for the provision of bookstore services to the campus.

PRINCIPAL CONSULTANT

Ron Duvall is the Chairman and CEO of the Duvall Group. The resume for Duvall is included with this information. His experience covers the realm of bookstore operations from self-operation to contract management.

A list of clients is included for review.

CREDENTIALS

Ron Duvall is the Chairman/CEO of the Duvall Group. Mr. Duvall has managed college bookstores for lease operators and has managed institutionally operated stores. He has gathered unique insights into bookstore operations and is recognized as an authority in the field. Mr. Duvall has been a presenter at national meetings for professional associations. He has produced and delivered professional training programs for collegiate bookstores. Duvall Consulting Group was founded by Mr. Duvall over 20 years ago and continues to grow under his leadership.

Ron Duvall

Chairman and CEO of

Duvall Consulting Group, LLC

May 1993 – present Duvall Group – Ellicott City, MD Chairman/CEO

As owner and Chairman of Duvall Consulting Group, Inc., Duvall has directed this higher education management consulting firm to the acknowledged premier position in college bookstore consultation. Services include operational over views, in-depth reviews to include time and action implementation plans, comparative analysis of institutional vs. privatized operations, and personnel training programs. The client list is a cross section of higher education in the United States. Included is a strong representation of some of the finest institutions to include the University of Southern California, Indiana University, Syracuse University, University of Miami, Fordham University, Univ. of Massachusetts, Amherst, and Howard University. In addition there are numerous private colleges, state universities and community colleges. The Massachusetts State College System has also retained the Duvall Group to assist its 9 state colleges with request for proposal development and negotiations for the contract management of the bookstores.

June 1985 – May 1993 Georgetown University Director of Book Shops

And

July 1991 – Nov. 1991 Interim Exec. Dir. of Auxiliary Svcs.

During his tenure as Director of Book Shops. Mr. Duvall was instrumental in the transformation of Georgetown University Book Shops. He:

- Designed and opened a very contemporary 16,000 sq. ft. store on the main campus.
- Computerized all three stores to include Point of Sale, scanning capability of all products (including Bookland EAN), backroom system for Textbooks, Trade books, General Merchandise, and Accounting. This software operates on the IBM RISC 6000 (UNIX environment).
- Implemented a very successful mail order program.
- Designed and built (literally, from below the ground, up) a new Law Center Store, where previously there had been no store.
- Financially improved the operation to the point that GU Book Shops returned the largest percentage of revenue dollars of all stores in the Large Stores Group of the National Association of College Stores.

For the few months as Interim Executive Director of Auxiliary Services of Georgetown University, Mr. Duvall re-negotiated two major agreements with Marriott Corp. These included a management agreement for the Leavey Conference Center. The agreement allows Marriott to

operate the Conference Center, the 146 room hotel, and its five restaurants. Under a separate agreement, a new operating contract for Georgetown University's Food Service was also executed. The University was the benefactor of a significantly enhanced financial position as a result of these agreements.

Additionally, Duvall initiated discussions that led to the implementation of a debit card system. Vendor negotiations for the vending operation for all facets of the campus were also started.

Nov. 1983 – June 1985

Duvall & Associates

President

Duvall and Associates assisted institutionally operated college bookstores in the further development of their stores. Mr. Duvall provided total operational reviews, procedures manuals, training, and routine monitoring.

He was instrumental in developing more effective used book programs, increase in gross margin, paperflow, staff utilization and computerization.

Nov. 1979 – Nov. 1983

Campus Books, Inc.

VP for Operations

During his tenure with Campus Books, a college bookstore leasing company, Duvall was responsible for the following functions:

- -develop and implement CBI's policies and procedures.
- -provide the training program for store managers, assistant managers, manager trainees, and store staff.
- -initial evaluation, takeover, training, physical layout and renovation, and resolution of all transitional problems associated with new store acquisitions.
- -supervised all store managers (up to 17)
- -liaison between CBI and the clients to insure a smooth relationship.

Sept. 1977 – Nov. 1979

**Follett Corporation
Johns Hopkins University**

Book Center Manager

While with Folletts, Mr. Duvall was responsible for the following:

- Directed the operation of the Campus Store for a lease operator (Folletts). The store employed up to 25 employees.
- Significantly improved the financial position of the operation after his first full year.
- Established a full-time branch operation at Peabody Conservatory.
- Operated two branch locations for the evening college at JHU.

Sept. 1970 – Sept. 1977 **College Association, Ag. & Tech., Coll. Of NY**
Campus Store Director and Accountant

During his employment with the College Association, Mr. Duvall's responsibilities included:

- Controlled internal accounting and auditing procedures.
- Directed the operation of the Campus Store, during which sales doubled.
- Served as State Director of the NY State College Stores Association.
- Graduated from the National Association of College Stores Management Training Seminar in Oberlin, Ohio, as well as the NACS Advanced Personnel Seminar.
- Served as a faculty member at various bookstore meetings.

Duvall Consulting Group, LLC Client List

Allegheny College
American University
Alvernia College
Auraria Higher Education Center
Biola College
Bowdoin College
Cal State University - Fullerton
Cal State University - Los Angeles
Cal State University – Stanislaus
Cal State University – San Marcos
Cal Poly - Pomona
Centenary College
Central Michigan University
Central Missouri State University
Central Piedmont Comm. College
Cuyahoga Community College
Dallas County Community College (7 campuses)
Dalton State College
Delaware Community College
Delaware Valley College
Dickinson College
East Carolina University
Edward Waters College
Elizabeth City State University
Elmira College
Emory University
Fordham University
Florida Atlantic University
Frederick Community College
Gallaudet University
George Mason University
Georgia Institute of Technology
Georgia Medical College
Georgia Perimeter College
Georgia State College and Univ.
Gettysburg College
Guam Comm. College
Guilford College
Harrisburg Area Comm. College
Hillsborough Community College
Howard University
Idaho State University
Indiana University
Meredith College
Michigan Tech University
Mississippi Valley State University
Morgan State University
Mount Mercy College
New York University
North Carolina State University
Northern Kentucky University
Northern Virginia Community College (5 campuses)
Occidental College
Phillip Exeter Academy
Rutgers University - Camden
Saint Augustine College
Salisbury University
Santa Clara University
Savannah College of Art and Design
South East Missouri State Univ.
Southern Illinois University
Stanford University
St. Francis University
St. John's University
SUNY - Cobleskill
SUNY – Oneonta
SUNY – Stony Brook
Syracuse University
Temple University
Tidewater Comm. College
Troy State University
Tulane University
UCLA
University of Alabama
University of Arkansas
University of Central Florida
University of Guam
University of Maine
University of Maryland, Baltimore
University of Maryland, College Park
University of Massachusetts - Amherst
University of Miami, Florida
University of Missouri - Kansas City
UNC - Asheville
UNC - Charlotte
UNC – Wilmington

Indiana University Purdue University
Kansas State University
Lehigh Carbon Community College
Le Moyne College
Longwood College
Louisiana State University, Baton Rouge
Louisiana State University, Alexandria
Manatee Comm. College
Manhattan College
Massachusetts State College System (9 campuses)
Medical College of Georgia

University of Nebraska, Lincoln
University of Southern California
University of South Florida
University of the Sciences in Philadelphia
University of West Florida
University of Windsor
University of Wisconsin - Milwaukee
University of Wisconsin - Stout
Virginia Commonwealth University
Western Kentucky University
Western Maryland College (now McDaniels C
Xavier University of New Orleans