

Anaplan for athletics: Optimizing financial performance on and off the field

The complex arena of college athletics

College sports in the United States is undergoing a dramatic period of legal and financial upheaval, and athletic departments are at the center of the crisis. Unlike traditional businesses, college athletic departments operate within a non-profit environment with distinct accounting practices. Driven by fan and alumni expectations rather than shareholder demands, these departments prioritize victories over profits, leading to significant spending on coaches, facilities, and player benefits. More often than not, this spending outpaces revenue, resulting in substantial financial losses for the school. These losses are then passed on in the form of increased fees for student-athletes, higher tuition rates for all students, and ultimately more college debt.

“ Only 18 of 229 public Division I athletics programs generate more money than they spend.

To win in this complex landscape, your athletic department must balance generating revenue through ticket sales, merchandise, and media rights against the rising costs for facilities, salaries, and scholarships. Additionally, your school faces intense competition to recruit top talent, develop winning teams, and maintain its conference standing. Complicating matters further, you must adhere to a complex web of evolving NCAA rules, state, and federal laws while providing fans with exceptional game-day experiences and maximizing revenue opportunities. Finally, your massive volumes of finance, operations, and athlete performance data make it difficult to interpret and leverage it to competitive advantage.

Athletic departments face steep hurdles:

- Limited finances. Athletic departments may not have enough money to cover all the costs of multiple sport programs, such as coaching salaries, equipment, transportation, and officials.
- Facilities costs. Keeping competitive with state-of-the-art facilities adds increasing financial pressures, in addition to new equipment and daily maintenance.
- Competing demands. Athletic departments need to balance the needs of different stakeholders, such as players, staff, sponsors, and donors, with their available funds and facilities.
- Risk management. Legal, compliance, and reputational risks have never been higher for universities. With NCAA rule violations leading to sanctions or fines, Title IX non-compliance issues, academic fraud and eligibility violations, and new regulations on the way for revenue sharing with players — the need for financial transparency and auditing is clear.

These challenges make it difficult to:

- Accurately predict revenue and expenses, allocate resources effectively, and manage financial risks.
- Develop long-term strategies to achieve athletic and financial goals, considering factors such as coaching staff development, facility upgrades, and sport offerings.
- Optimize scholarship allocations based on academic and athletic performance while adhering to NCAA rules.
- Identify and recruit top talent, manage athlete development, and track performance metrics.
- Plan for facility upgrades, maintenance, and scheduling while maximizing revenue generation.
- Spot and mitigate potential risks, such as injuries, legal issues, and financial setbacks.

Obstacles to effective budgeting

Athletic departments often operate with limited budgets that need to cover a wide range of expenses, including coaching salaries, travel costs, equipment, and facility maintenance. The complexity of managing these budgets is compounded by the need to allocate resources efficiently across multiple sports programs and teams. Traditional budgeting tools, such as spreadsheets, can become cumbersome and error-prone as they fail to provide a real-time, comprehensive view of financial data.

“ Dozens of Division 1 public institutions lose between \$20 and \$40 million annually on sports.

Furthermore, with limited capabilities for scenario planning, your organization cannot effectively assess the potential impact of various economic and regulatory changes on financial performance.

These planning limitations pose significant barriers to accurate budgeting and forecasting.

Fortunately, Anaplan can help.



There is a better way to manage athletic financial plans and risks

Budgeting is the cornerstone of a successful athletic department. It provides the blueprint for effective resource allocation and enables you to sustainably grow your programs while ensuring the overall financial success of your organization. A carefully planned budget will help improve your organization's financial health while reducing risk. And when developed with transparency and organization-wide collaboration, your financial plan will go a long way in building confidence and trust among your stakeholders and larger community.

Anaplan's platform offers an end-to-end solution for optimizing decision-making, empowering your athletic department to overcome its challenges by equipping you with critical features, such as:

- **Centralized data.** Consolidate financial data from various sources into a single platform for a holistic view—and a single source of truth.
- **Automated forecasting.** Utilize historical data and predictive analytics to generate accurate forecasts.
- **Scenario modeling.** Rapidly evaluate different financial scenarios, such as ticket price changes, attendance fluctuations, or economic downturns.
- **Driver-based planning.** Link financial outcomes to underlying drivers, improving forecasting accuracy.
- **Real-time insights.** Leverage up-to-date financial information for informed decision-making.
- **Enhanced collaboration.** Facilitate and improve collaboration among coaches, administrators, and financial staff.
- **Risk reduction.** Eliminate NCAA compliance reporting issues, manage financial, reputational, and legal risks.

How you win with Anaplan

Anaplan's unified platform empowers athletic departments to make data-driven decisions that optimize budget planning. By bringing together coaches, administrators, and financial staff, Anaplan fosters collaboration and alignment on your organization's strategic priorities and financial goals. With access to real-time insights into revenue streams, expenses, and performance metrics, budgeting with Anaplan can transform your athletic department into an agile, financially sustainable organization.



Build comprehensive financial models

Accurately forecast revenue from ticket sales, merchandise, donations, and media.



Optimize decision-making

Empower stakeholders with the right data and tools to make informed decisions about budget distribution across sports, teams, and departments.



Improve forecasting accuracy

Utilize historical data and predictive analytics to anticipate future financial performance.



Adapt to changing conditions

Quickly adjust budgets and forecasts in response to economic shifts, enrollment fluctuations, regulatory changes, or unexpected expenses.



Maximize donations and gifts

Improve fundraising through better storytelling backed with accurate projections.

Use cases

- **NIL recruit forecasting**
Project out NIL and revenue share dollars to prospective recruits.
- **Revenue forecasting**
Accurately predict revenue from ticket sales, merchandise, sponsorships, and media rights.
- **Expense management**
Identify cost-saving opportunities and allocate resources effectively.
- **Scholarship planning**
Automatically optimize scholarship allocations based on available funds and athlete performance.
- **What-if analysis**
Evaluate the financial impact of facility upgrades, coaching staff changes, new sports, donations, and gifts.
- **Cash flow forecasting**
Improve cash flow forecasting and management.
- **NCAA compliance reporting**
Automate all NCAA compliance and internal reporting.

Anaplan is at the core of intelligent budget planning, providing the tools, models, and methodologies your organization needs to thrive in the competitive, dynamic world of college athletics. Like your best athletes, the Anaplan platform brings speed, agility, and flexibility to your department's budget planning processes, positioning your organization to win.

To learn more about our game-changing solutions for higher education, visit Anaplan.com.

About Anaplan

Anaplan transforms the way you see, plan, and lead your business. By dynamically connecting financial, strategic, and operational plans in real time, Anaplan gives you the power to anticipate change, address complexity, and move at market speed. Anaplan's Connected Planning platform lets you view and contextualize current performance, forecast future outcomes to fuel growth and mitigate risk, and optimize costs so you can make faster, more strategic decisions. Anaplan helps more than 2,400 market-leading customers in over 50 countries navigate their daily planning challenges with confidence.

To learn more, visit Anaplan.com

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