



On-Site, Outsourced, or Hybrid: Which Is Right for You?

5 questions to consider before you outsource your campus bookstore

Colleges and universities today face conflicting pressures when it comes to their campus retail operations. Bookstore managers and auxiliary services managers are expected to maintain or even increase their overall contribution to the campus from retail operations. But that's becoming increasingly more difficult in the face of declining textbook revenues, rising operational costs, and the growing value of real estate. The COVID-19 pandemic has further squeezed campus retail operations by decreasing foot traffic and driving more students online.

As a result, many college and university campuses are evaluating new operational models for campus retail. Outsourcing bookstore operations to a third-party vendor has emerged as an easy alternative to on-site retail. This is a model that some are familiar with having outsourced food service or campus convenience stores.

Thinking About Outsourcing? Read This First.

As colleges and universities make the difficult decision of whether to outsource their bookstore or other retail operations, it's important for them to remember that on-site and outsourced are not the only two options. Many schools are now realizing that a hybrid model could be one way to retain control of the campus store while optimizing the return to the campus and minimizing risk.

If you're considering outsourcing some or all your campus store operations, here are 5 questions to consider before you do:

- 1 What would be the cost of bringing the campus store back on campus should you ever change your mind?** After you've sold off your inventory, getting back into the campus store game can be a difficult and costly proposition. Unfortunately, many campuses that are dissatisfied with their outsourced campus store are finding this out the hard way now.
- 2 How much will costs increase for students?** Over time, some colleges and universities find that their student costs increase by 10% to 20% after outsourcing. Our own experience with campus bookstores shows that there can be on average a 16% net increase in costs to students after moving to an outsourced model.
- 3 Are you prepared to give up control of the bookstore?** The campus bookstore and other retail operations play an important role for many departments who depend on discounted merchandise and services. Losing control of the bookstore means losing control over your ability to provide services whose benefits are difficult to monetize.
- 4 How will you ensure that merchandise continues to meet your standards?** Third-party outsourcers often prioritize profit margins over quality. If you have worked hard to establish your brand, you may want to think twice before relinquishing control.
- 5 What is your long-term rate of return?** After the initial period, commission rates from third-party outsourcers often decline significantly. Declining revenues can result in difficult budget and headcount decisions over time.



sales@total-computing.com

800-800-8227

A hybrid model can help optimize returns

In between on-site operations and a fully outsourced model lies a continuum that enables schools to reduce costs and optimize benefits while still retaining control over the most valuable goods and services. We can help you find the best balance along that continuum for your campus. If you think you only have one or two options, we can help you find better choices.

Whether you want to keep operations on site or implement a hybrid operational model, TCS can help. Our retail management solutions can help you improve efficiency and flexibility by:

- **Consolidating campus retail management—from food service to your bookstore—into one integrated system.** Save money on licensing and simplify management and support with a single solution for point of sale, real-time inventory management, accounting, e-commerce, and more.
- **Integrating with each of the largest textbook wholesalers.** We provide connections with multiple textbook wholesalers to simplify buyback, maximize choice, and ensure the best prices for students.
- **Maximizing your contribution to the campus.** If you're bringing your bookstore back, we can help you adopt a hybrid model and easily adapt to eCommerce, while reducing your potential up-front cost and helping you find ways to improve your campus retail presence quickly at a reduced cost.

For more information about TCS, visit
www.total-computing.com.

