Revenue Generation
Thinking BIG!

Bridging the Gap
February 12, 2014
While the short-term deficit is manageable, we must remain aggressive and creative in our financial strategy.
Other revenue sources have had to fill the gap...

Constraints on 71% of our key revenue streams reduced our financial flexibility in 2012-13

Operating Revenues from core activities
*Actuals - 2012-13*

- **Federal Grants and Contracts, net**: 16%
- **Federal Pell grants**: 2%
- **State educational appropriations**: 12%
- **Gifts and Investments**: 13%
- **Other Grants and Contracts, net**: 13%
- **Other**: 16%
- **Student Tuition and Fees, net**: 28%
Financial sustainability requires a focus on **efficiency** and **revenue growth**

- **Operational Excellence**
  - Savings opportunity: 75M+

- **Research**
  - Revenue opportunity: $20-50M

- **Philanthropy**
  - Revenue opportunity: $50-100M

- **Online Strategy**
  - Revenue opportunity

- **Richmond Bay Campus**
  - Revenue opportunity

- **Unit-level entrepreneurship**
  - Revenue opportunity
We imagine and innovate

*Explore untapped opportunities and make use of creative and innovative potential on campus where a dollar invested today can yield multiple revenue dollars in the future.*
Idea → Proposal Development Process
Phase View

Explore / Generate Idea

Optimize / Design Offering

Create Plan

Go/No Go Funding Decision

Deliver & Monitor

Create Plan, test and refine approach

Design offering; assess market

Monitor and adjust

Build and deliver

Generate and strengthen ideas

Explore opportunities

Continuous Improvement

Explore opportunities

Generate and strengthen ideas

Design offering; assess market

Create plan, test and refine approach

Monitor and adjust

Build and deliver
Idea generation to revenue generation

Design and Test Value Proposition
- Develop initial pitch – value proposition
- Request help
- Identify resources and expertise required

Define the “What”
- Define opportunity
- Define offer (service/product)
- Identify approach to market analysis
- Assess impact and alignment with / support of Mission

Plan the “How”
- Create plan to build and integrate service/product
- Perform market analysis
- Develop financial plans
- Create risk plan
- Id unit & other investor expectations

“Go/No Go”
- Go / No Go
- Approvals
- Funding
- Caveats
- Agreements, conditions and contracting

Assess Progress
- Executive support
- Project reviews
- Operational reviews
- Monitor financials

Explore / Generate Idea
Optimize / Design Offering
Create Plan
Make Decision
Deliver & Monitor
Investment Funding Model
Project Start-up / Investment Period

<table>
<thead>
<tr>
<th>Investment Sources</th>
<th>Costs</th>
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<tbody>
<tr>
<td>OEPO</td>
<td></td>
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<tr>
<td>(Campus Funds + Loans)</td>
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<tr>
<td>Unit(s)</td>
<td>Project Implementation and Start-up</td>
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<tr>
<td>(Budget)</td>
<td></td>
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<tr>
<td>External</td>
<td></td>
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<tr>
<td>(Partners)</td>
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Revenue Model
Revenue Generation Operations: Project View

Revenue - Expense = Net

Revenue

Direct operating costs (e.g., salaries, materials)
Overhead costs
Repayment of campus loan

= Net Revenue

Net Revenue distributed:
• To Units
• To Others, depending on contractual agreements
# Ideas and Projects in the Pipeline

## Approved

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Contact</th>
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</thead>
<tbody>
<tr>
<td>Wurster Hall Café</td>
<td>Jennifer Wolch</td>
</tr>
<tr>
<td>Cal Performances Ticket Sales System</td>
<td>Matias Tarnopolosky</td>
</tr>
</tbody>
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## Ideas in Discussion

<table>
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<tr>
<td>Ophthalmic Surgical Center</td>
<td>School of Optometry</td>
</tr>
<tr>
<td>CEP College Advising Curriculum</td>
<td>Gail Kaufman</td>
</tr>
<tr>
<td>Jazzee Admissions Software</td>
<td>Corinne Kosmitzki</td>
</tr>
<tr>
<td>Law School Online Program</td>
<td>Patricia Donnelly</td>
</tr>
<tr>
<td>B2H – Rec Sports Administration</td>
<td>Mike Weinberger</td>
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</tbody>
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Ideaction online innovation platform

Submitting Ideas

Commenting & voting

Reporting
Let’s get started building on ideas...

Our goal today is divergent thinking – developing and expanding on ideas. Four ways you can give feedback to an idea:

1. What I like about your idea is…
2. To grow your idea, you might consider…
3. How would you make that a revenue-generating idea?
4. How could we make your idea ten times bigger?
Two Ideas

Semester Abroad in Silicon Valley
submitted by Aisling Scott, PhD candidate in Haas School of Business
Establish an internship program for current Cal students to live and intern in the Silicon Valley with innovative firms for one semester.

Hungry Bear Dinners
submitted by LeNorman Strong, Assoc. Vice Chancellor, Housing & Dining
Cal Dining proposes to prepare and package ready-to-eat dinners for Cal faculty and staff to pick-up on the way home.
For further information, or to get started with your revenue generating idea, please contact:

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