

CASE STUDIES

★ Southwestern University: (B)*

Southwestern University (SWU), a large state college in Stephenville, Texas, enrolls close to 20,000 students. The school is a dominant force in the small city, with more students during fall and spring than permanent residents.

Always a football powerhouse, SWU is usually in the top 20 in college football rankings. Since the legendary Phil Flamm was hired as its head coach in 2006 (in hopes of reaching the elusive number 1 ranking), attendance at the five Saturday home games each year increased. Prior to Flamm's arrival, attendance generally averaged 25,000 to 29,000 per game. Season ticket sales bumped up by 10,000 just with the announcement of the new coach's arrival. Stephenville and SWU were ready to move to the big time!

The immediate issue facing SWU, however, was not NCAA ranking. It was capacity. The existing SWU stadium, built in 1953, has seating for 54,000 fans. The following table indicates attendance at each game for the past 6 years.

One of Flamm's demands upon joining SWU had been a stadium expansion, or possibly even a new stadium. With attendance increasing, SWU administrators began to face the issue head-on. Flamm had wanted dormitories solely for his athletes in the stadium as an additional feature of any expansion.

SWU's president, Dr. Joel Wisner, decided it was time for the vice president of development to forecast when the existing stadium would "max out." The expansion was, in his mind, a given. Dr. Wisner needed to know how long he could wait. He also sought a revenue projection, assuming an average ticket price of \$55 a seat and a 5% increase each year in future prices.

Discussion Questions

1. Develop a forecasting model, justifying its selection over other techniques, and project attendance through 2014.
2. What revenues are to be expected in 2013 and 2014?
3. Discuss the school's options.

*This integrated case study runs throughout the text. Other issues facing Southwestern's football stadium include (A) managing the stadium project (Chapter 3); (C) quality of facilities (Chapter 6); (D) break-even analysis for food services (Supplement 7 Web site); (E) locating the new stadium (Chapter 8 Web site); (F) inventory planning of football programs (Chapter 12 Web site); and (G) scheduling of campus security officers/staff for games (Chapter 13 Web site).

Southwestern University Football Game Attendance, 2007–2012

| GAME | 2007 | | 2008 | | 2009 | |
|----------------|-----------|----------|-----------|-------------|-----------|------------|
| | ATTENDEES | OPPONENT | ATTENDEES | OPPONENT | ATTENDEES | OPPONENT |
| 1 | 34,200 | Rice | 36,100 | Miami | 35,900 | USC |
| 2 ^a | 39,800 | Texas | 40,200 | Nebraska | 46,500 | Texas Tech |
| 3 | 38,200 | Duke | 39,100 | Ohio State | 43,100 | Alaska |
| 4 ^b | 26,900 | Arkansas | 25,300 | Nevada | 27,900 | Arizona |
| 5 | 35,100 | TCU | 36,200 | Boise State | 39,200 | Baylor |

| GAME | 2010 | | 2011 | | 2012 | |
|----------------|-----------|-----------------|-----------|-------------|-----------|---------------|
| | ATTENDEES | OPPONENT | ATTENDEES | OPPONENT | ATTENDEES | OPPONENT |
| 1 | 41,900 | Arkansas | 42,500 | Indiana | 46,900 | LSU |
| 2 ^a | 46,100 | Missouri | 48,200 | North Texas | 50,100 | Texas |
| 3 | 43,900 | Florida | 44,200 | Texas A&M | 45,900 | South Florida |
| 4 ^b | 30,100 | Central Florida | 33,900 | Southern | 36,300 | Montana |
| 5 | 40,500 | LSU | 47,800 | Oklahoma | 49,900 | Arizona State |

^aHomecoming games.

^bDuring the fourth week of each season, Stephenville hosted a hugely popular southwestern crafts festival. This event brought tens of thousands of people to the town, especially on weekends, and had an obvious negative impact on game attendance.