

Case Study: North Dakota State University



The NDSU Team Makers Club increased their average 50/50 raffle sales per person by **41%** while greatly increasing their financial control and accountability





“The bottom line is that 5050 Central has exceeded all of our expectations.”

- Pat Simmers, Executive Director, The Team Makers Club Inc



The Team Makers Club increased their 50/50 raffle sales, generated more NDSU scholarships, lowered their labor costs and greatly improved their financial accountability

KEY RESULTS

5050 Central “exceeded all of [NDSU Team Makers] expectations” by:

- Increasing number of full scholarships funded directly from raffle proceeds from 8 to 12
- Establishing Team Makers as a trailblazer in the NCAA market with the adoption of electronic raffles
- Selling tickets longer and more efficiently
- Increasing financial control & accountability
- Lowering labor costs
- Being easy to operate
- Being flexible enough to expand into multiple venues

An already experienced and successful fundraising team still managed to move the needle on key metrics:

- Increased average per game raffle revenue by 39%
- Increased revenue per person attending by 41%
- Increased total raffle revenues by 28%





THE SITUATION

In 2004, all athletic programs at North Dakota State University moved up to Division I and with it came all the prestige bestowed upon schools competing at the top echelon of intercollegiate athletics. However, success does not come cheap: Playing in the top NCAA division also means larger budgets and in particular a greater need for athletic scholarships in order to compete.

Rick Stenseth, Bison supporter and Gaming Director for The Team Makers Club Inc., NDSU Athletics' Booster Club, knew that it was even more important to make the most of all fundraising opportunities: "When we moved up to Division I, we knew every aspect of our fundraising had a greater responsibility for helping fund athletic scholarships. At NDSU, it is an overall team effort to achieve our goal of being the best we can be."

The Team Makers started out their 50/50s small by selling paper raffle tickets to fans in and outside NDSU Bison games; a method that is typically found on very small scales such as at local high schools.

"We were seeing consistent growth [in paper raffle sales] over the last six years, but we're always striving towards the next level" said **Mr. Stenseth**, "We saw room for improvement in many areas: lowering labor costs, increasing efficiency, even improving the perception of our raffle to the consumer. For example, with paper tickets we had only two price points - one green ticket for a \$1 or fifteen yellow tickets for \$10 - which did not give players many options for their varied budgets. Electronic raffles, on the other hand, eliminate the need for different ticket colors and allow you to set various price points to match all sorts of budgets."

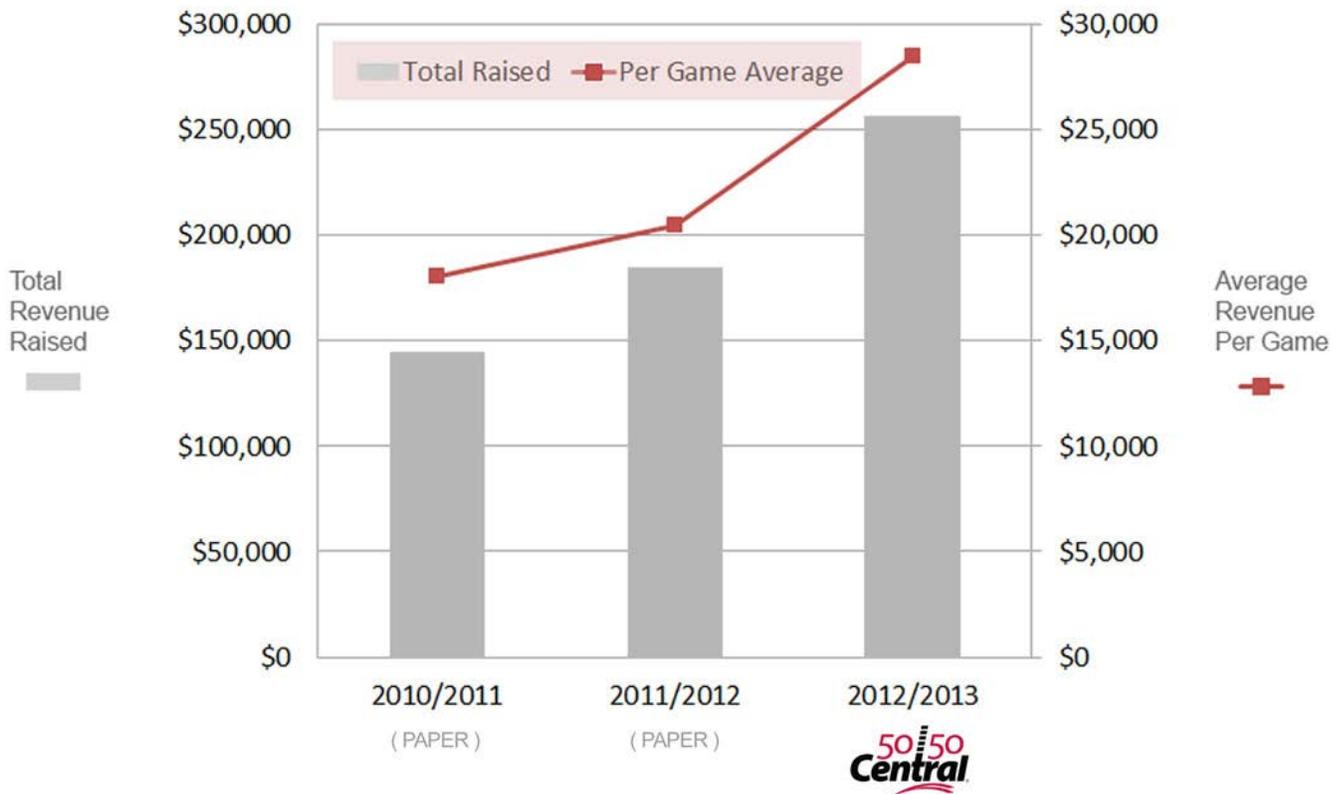
THE SOLUTION

After six seasons in Division I, the NDSU Team Makers were already a well-oiled fundraising machine - producing a respectable \$21,000 per game in gross raffle revenues. Despite these decent sales and always looking to improve, the Team Makers decided to explore an electronic raffle option. After a complete investigation of the marketplace, Team Makers made the decision to enhance their program with the 5050 Central system.

"After fully investigating the marketplace, we made the decision to install the 5050 Central system" said **Pat Simmers**, Executive Director of The Team Makers Club Inc., "5050 Central's team worked with us from the outset and their entire staff was both prepared and professional. Their people worked seamlessly with our IT, game operations and sales staff in terms of installation and training and they have been immediately responsive to our needs and questions throughout this first season."



Team Makers Raising More Funds for NDSU Athletics



TRANSPARENCY + CREDIBILITY = TRUST

In just the first season with 5050 Central, the **average pot size increased to over \$28,000 per game**. The 39% increase in gross raffling revenues was not the only benefit for Team Makers. The accounting transparency and credibility brought to their charitable raffles by 5050 Central has increased operational efficiency and fan participation. Furthermore, the powerful reporting features within the electronic system allow for precise post-raffle reconciliation with the proper gaming, regulating authorities and internal/external auditors.



THE HIGHER PURPOSE

“Team Maker’s mission is raising scholarship money for student-athletes and assisting them in earning degrees for a successful future” said **Mr. Simmers**, “The 5050 Central system has allowed us to not only increase revenue but to do so more efficiently and with greater control from an accountability standpoint”.

“All the money we make goes straight to scholarships” adds **Mr. Stenseth**, “And of course, this helps all our Division I sports programs compete better at the national level. In fact, we’re extremely proud of our back to back NCAA Division I FCS football championships, both against Sam Houston State in 2011 and 2012.”

“So yes, we’re definitely doing our part to support the athletic programs, but we’re also helping young men and women gain an education. And that helps them prepare for life. And really, that’s the higher purpose in all this, isn’t it?”

WHAT’S YOUR SECRET?

“Consistency” answered **Mr. Stenseth**, “Consistency and transparency. That’s the simple answer.”

“It’s not a complicated business model. Your goal is simply to sell more tickets. But I think our success lies in the consistency to our approach. People follow patterns. Fans coming to a Bison game year after year go tailgating, or they sit in the same seats and so on. So we send out teams of two ticket sellers to work the same areas, game after game. We set up tables in the exact same location year after year.

Even our message is transparent and something that we train our ticket sellers to stress at every event: *half of the pot goes to the winner, half goes to scholarships*. Not athletic equipment or new helmets for the football team, but scholarships for all sports”.

Team Makers also offers its ticket sellers an incentive program to motivate their game-day efforts. The sellers earn a base rate for working the game, but can make extra cash if the whole team reaches a preset jackpot level. Unlike a paper raffle, an electronic raffle opens up new and interesting ways to motivate ticket sellers. For example, on top of rewarding everyone if the whole team reaches a preset sales level, you could add extra layers of incentives for the top individual, or the top unit, etc. These are easily calculated through 5050 Central’s instant sales reports, which provide detailed information on all sales.



LOWER LABOR COSTS

Prior to adopting 5050 Central's electronic raffling system, the Team Makers would employ people to simply 'pre-tear' 50/50 tickets.

"For the price point of \$10 for 15 tickets, it was simply too time-consuming to tear the tickets at the point of sale" explains Mr. Stenseth, "So we had to pay people ahead of time just to pre-tear tickets. It wasn't a good use of our resources."

The Team Makers expect to make better use of their human resources going forward, which should result in more sales while also lowering labor costs.

10 SECONDS TO SELL THE DREAM

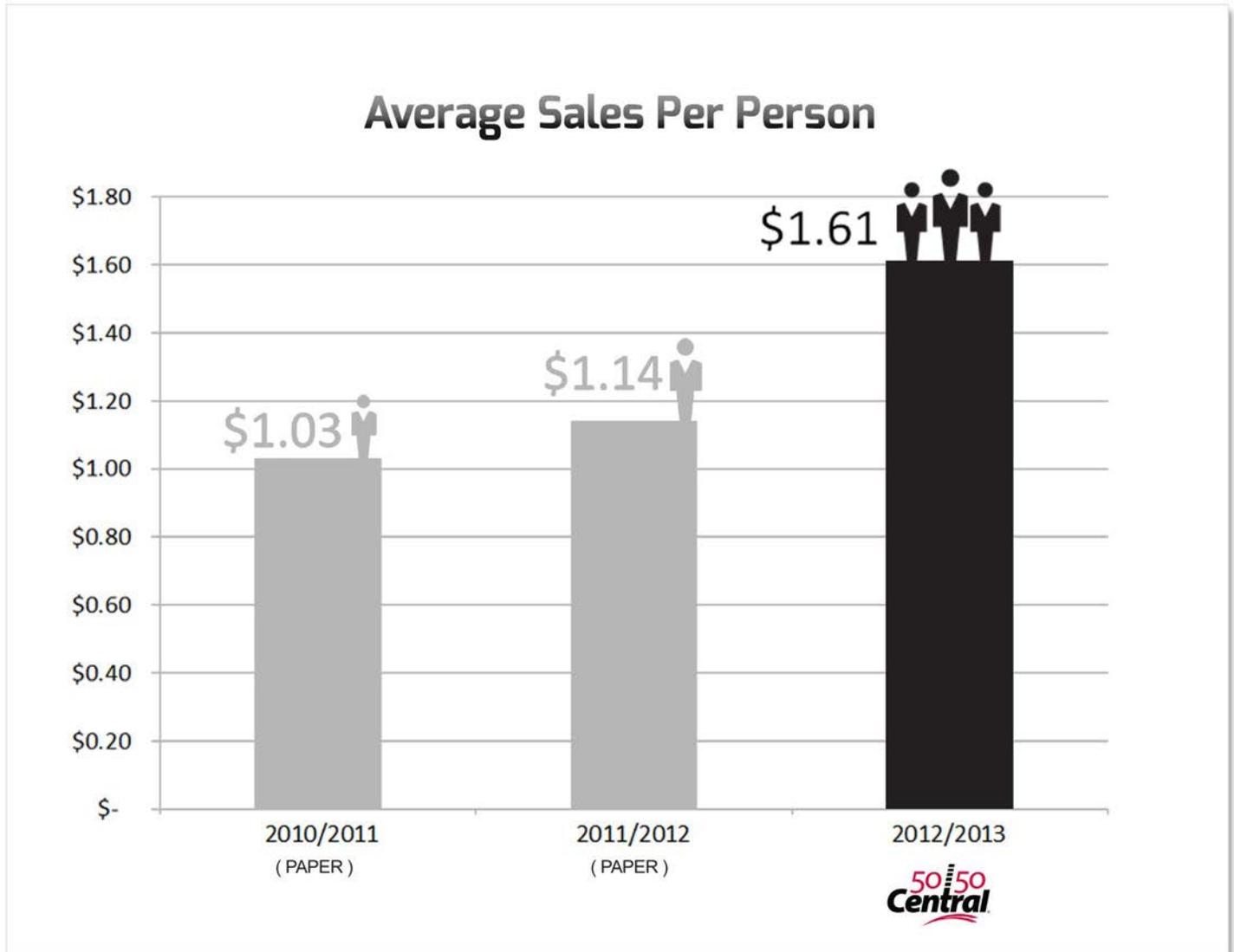
5050 Central not only increased the velocity of sales and the length of time that ticket sellers were able to sell, but it also gave the Team Makers more precision with their gaming operations.

"NCAA Division I football games are extremely well choreographed events" explains **Mr. Stenseth**, "If you miss your time slot, you have to wait for the next chance. Under our old paper method it was a race to beat the clock. We had to rush to count up the cash and then get the winning ticket number and final pot size to the PA guys for our 4th quarter announcement."

Various problems cropped up if the Team Makers missed their window of opportunity. Not only are people expecting the traditional announcement hoping for their lucky number to be called, but you also run the risk of the winner leaving the stadium before the announcement and that means you are unable to parade the winner before the large crowds.

"That's your 10 seconds to sell the dream" explains **Mr. Stenseth**, "It's a key of our marketing. People see the winner and think 'man, that person just won 15 grand. That could have been me'".

Now with the automated tally of every raffle sale in real-time, the Team Makers avoid the frantic pot count and hit their PA announcements with precision.



WHY 5050 CENTRAL?

A chance encounter between one of **Mr. Stenseth's** staff and a travelling businessman initially brought 5050 Central to his attention. "As part of our fundraising operations, we operate a charitable gaming casino at a local Holiday Inn. After one of our home games, obviously a big topic on everyone's lips is how big the pot got to. So a patron at the casino says to one of our staff 'You should see the size of pots they get up in Canada at NHL games. They're using computerized raffling instead of paper tickets'. That led me to discover there are two major players in the market: [another raffle vendor] and 5050 Central."



“With [another raffle vendor], it felt that we were just getting the sales pitch whereas with 5050 Central, it was more like a ‘partnership pitch’, said **Mr. Stenseth**, “The 5050 Central guys were very professional, had more follow up and were extremely straightforward in explaining their product. I was able to have many conversations, some lasting well over an hour, with [5050 Central President] **Kevin Lovitt** about the challenges we were having or about the regulatory environment we operate in. That’s important to me because Team Makers is vital to NDSU Athletics.”

WORKING WITH STATE REGULATIONS

Mr. Stenseth has gathered a unique mix of gaming and regulatory expertise from his 30 years of experience and has a wealth of advice for other NCAA schools looking to emulate Team Makers’ success. He sits on the Advisory Board of the North Dakota Gaming Commission and is experienced in the mechanics of state legislatures and how to address regulatory concerns.

“I’ve certainly learned a lot” he says about his specialized knowledge, “When we first started with our raffle fundraising, the limit on cash prizes was only \$1,000 which was intended for more traditional games like high school raffles. I worked directly with the North Dakota legislature to up that limit to \$4,000 and we’re working in the current legislative session to eliminate limits on collegiate 50/50 raffles. However, now our winners are going home with ten to fifteen grand, so we had to become creative. So now we make up the difference in cash equivalents by partnering with retailers like Best Buy or Scheel’s. These sponsors benefit from the exposure we give them; not to mention the winner often ends up spending even more once they get in the store. ”

50,000 TICKETS

On top of cash limits, current statutes in North Dakota also require a separate paper ticket to be printed into a physical barrel for *every single number* sold. That can add up fast when twenty dollars gets you forty individual numbers. At a typical Bison game, the Team Makers have eight 5050 Central printers going full tilt printing upwards of 50,000 tickets into the drawing barrel.

“It’s a lot of paper and it’s a lot of hassle” explains **Mr. Stenseth**, “And it reduces the amount of time available to sell tickets because we have to stop sales to make sure the printers have time to print what’s in their queue before we can draw a winning ticket”.



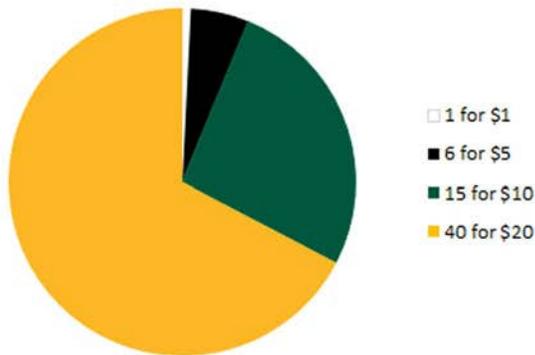
In addition to removing the cash limit, another goal is to work with the State Gaming Commission to allow a pure electronic draw. This means 5050 Central's system would be able to randomly pick a winner electronically without the need to print up 50,000 separate paper tickets.

"A huge advantage of 5050 Central is their certified random number generator, meaning it's been tested, it's accountable and easily audited" continues Mr. Stenseth, "Right now it's a bit of a regulatory grey area here in North Dakota, so we're taking things slowly, but if we get the go ahead to pick winners electronically, it's going to save labor, money, hassle and give us more time to sell. And at the end of the day, that will mean more funds for athletic scholarships."

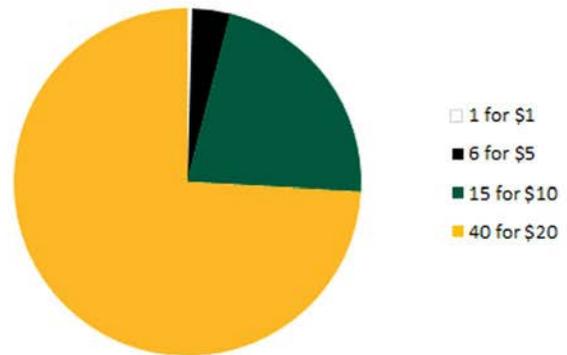
Allowing winners to be electronically drawn, in **Mr. Stenseth's** opinion, would also make 5050 Central more accessible to smaller organizations looking for better ways to raise funds.

"It's a bigger investment to purchase multiple printers, not to mention the cost of paper and the labor to monitor the integrity of the barrel" he says, "That's a barrier, I think, for organizations starting out small, so when and if gaming commissions accept a random number generator, systems like 5050 Central will become an absolute no-brainer. It's simply the case of legislation catching up with the reality of technology".

Tickets Sold by Dollar Value



Tickets Sold by Number of Tickets





EXPANSION

The success of raising \$1.61 per person during football season at the Fargo Dome has prompted expansion of the Team Makers raffling efforts into other areas. The flexibility and ability to easily “scale up” 5050 Central to operate in multiple venues means these expansion efforts are easily executed.

“Since our football season ended, we’ve been looking at other opportunities to deploy 5050 Central” said **Mr. Stenseth**, “We don’t know what the future will bring, but we’re excited to have the platform and the technology to pursue new fundraising opportunities that weren’t available under our old paper raffle method.”

Where will you see 5050 Central next at NDSU? The Team Makers will be bringing it to the Bison Sports Arena for their men’s and women’s basketball games and back again in the 2013 football season as they pursue a three-peat.

Go Bison!

ABOUT RICK STENSETH:



The Greater Good: When asked ‘Why share all your hard-earned secrets with the very schools that NDSU may compete against?’, Rick Stenseth, gaming & regulatory expert, replied “The more everyone elevates their athletic programs, the greater the level of competition is. And that means more entertaining games that draw in crowds; bigger and more enthusiastic crowds lead to greater raffle sales and, at the end of the day, more scholarships.”

Are you a NCAA school looking to emulate Team Makers’ fundraising success?
You can contact Rick Stenseth, Gaming Director of Team Makers Club Inc.
by phone at 701-277-9271 or by email teammakers@ideaone.net.