

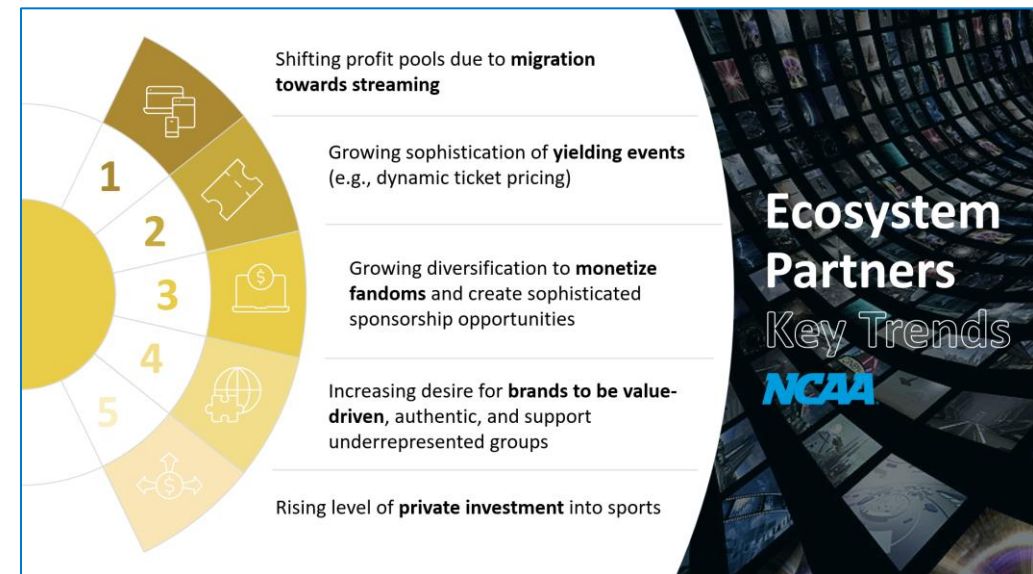
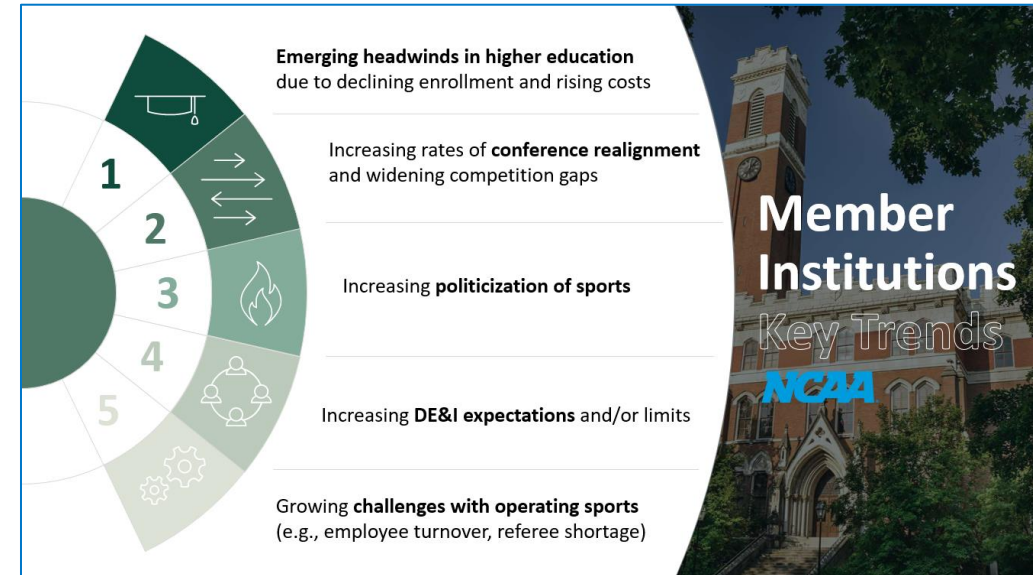
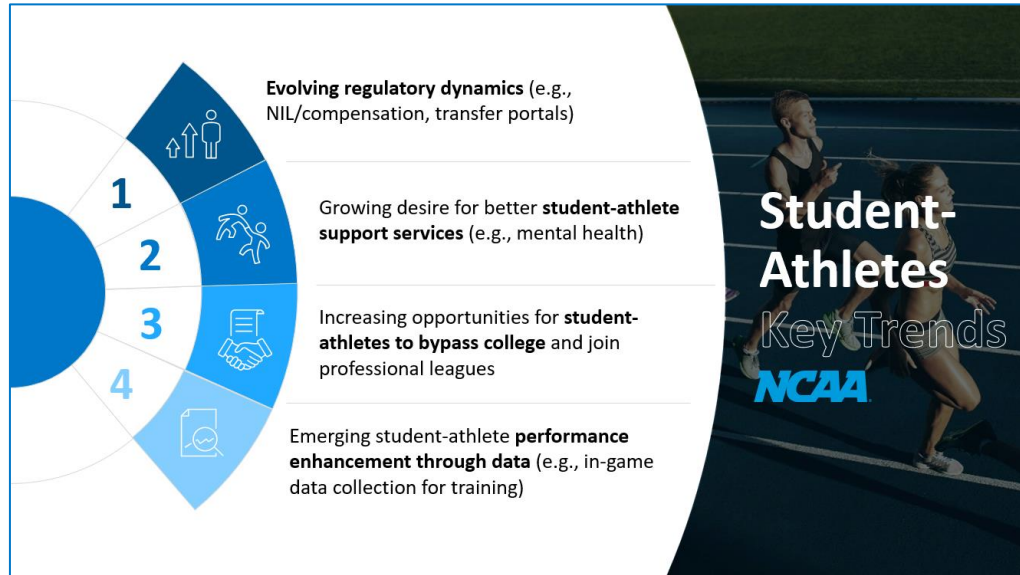
A close-up photograph of a person's hands holding a basketball and a rolled-up document. The person is wearing a dark grey t-shirt. The basketball is orange with black lines. The document is white with blue lines and some red and blue markings. The background is slightly blurred, suggesting an outdoor setting.

NCAA[®]

State of Business Review Key Findings

August 2, 2023

Key trends impacting college sports





Key findings of the State of the Business Review



Colleges and universities and college sports are at a crossroads, facing key pressures:

- The continuing **decline of the college age population** and the **rising costs of college attendance**
- The **options increasingly available for young people to forgo college altogether** and get paid to play their sport
- **Social media, sports betting and other outside influences** are complicating the life of student-athletes
- Traditional **media partners are experiencing an existential threat to their business**



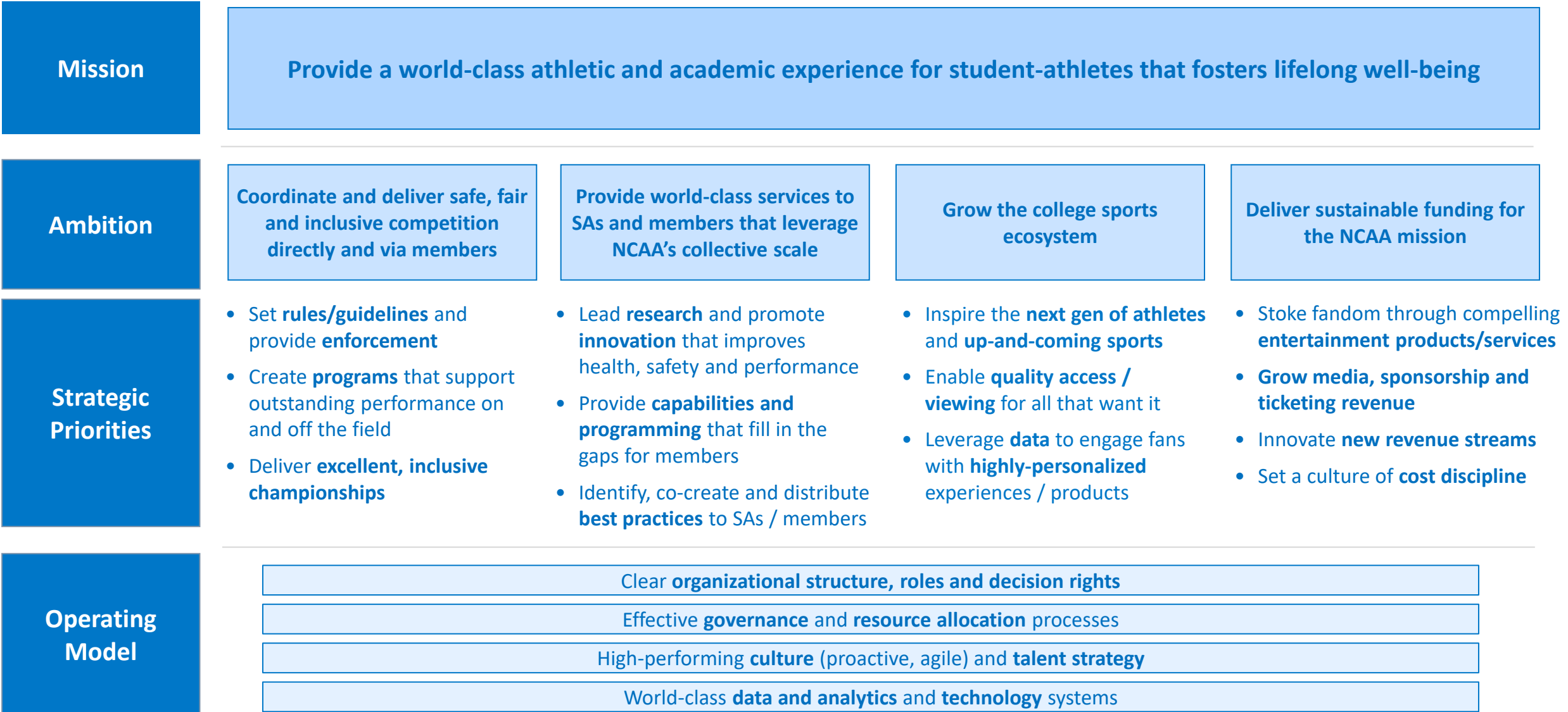
To address these trends, the NCAA must have an operating model and mission that are explicit and understood by all. And there must be a more rigorous approach to business planning and follow through, with a new sense of urgency.



Additionally, the **NCAA must focus on evolving, improving or addressing:**

- Support for **student-athletes**
- **Collaborations with member** institutions
- The **surrounding sports ecosystem**
- The widening gap between **different strata of Division I resources and capabilities**

NCAA Operating Plan



Student-athletes are dealing with a far more complex and publicly scrutinized environment than ever before

Issue



NIL programming is unaccountable and lacks any kind of consumer protections for student-athletes.



Sports betting is now legal in almost 35 states, but young people (and others) are betting on sports using mobile apps in all 50 states.



Social media is omnipresent in the lives of young people, more so for student-athletes, who are public figures on their campuses.



Mental health management, load management, rest and recovery and other health/well-being issues have become far more important to student-athletes in recent years.

National Office Action

Put an **accountable and transparent framework** in place on NIL before the end of the year.

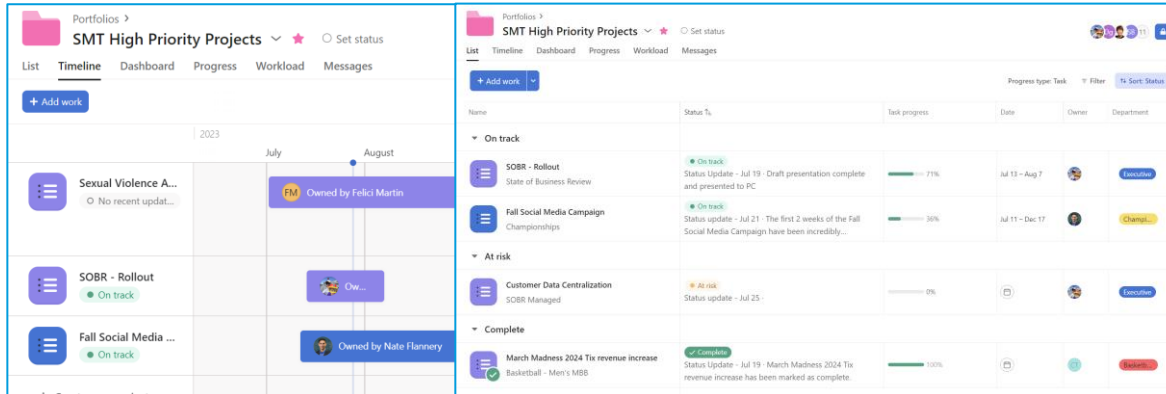
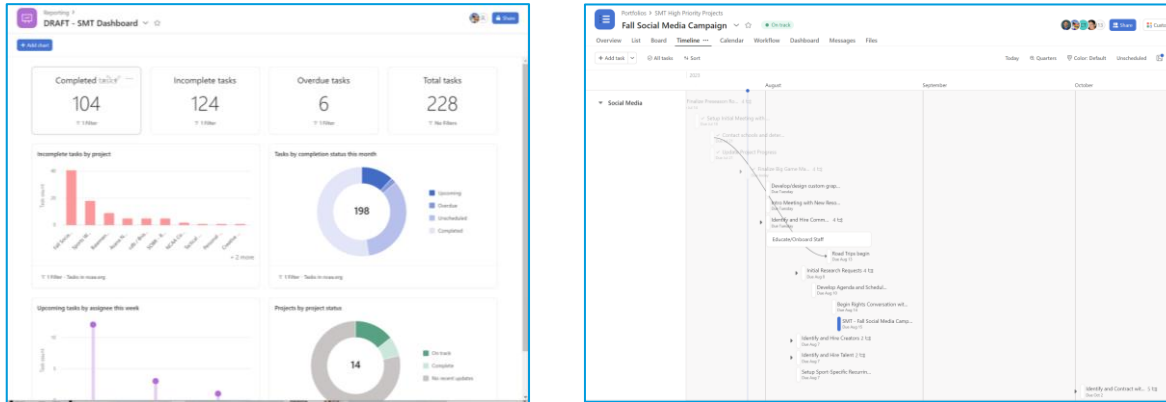
Prepare student-athletes for the impact that widespread betting on college sports could have on them and their campuses.

Build on NCAA's mental health best practices and work with member institutions, SAACs and outside experts to **confront challenges social media can create for student-athletes**.

Play a leading role in **sharing information and creating learning opportunities** for schools and athletic departments as these trends develop.

Updating the National Office's Operating Model and Execution Mindset

Rigorous project planning and execution



Suite of over 100 initiatives to work in FY24

- ▶ Invest in and enhance **data and analytics** to better understand fans, alumni and customers.
- ▶ Be more **market driven with championships** – sponsorships, premium seats, ticket allocation and pricing, social media and branding.
- ▶ Identify top 15-20 decisions within the national office and **map out stakeholders and clear decision rights**.
- ▶ **Consolidate and simplify** every possible opportunity in procurement.
- ▶ Aggressively **manage operating costs**.
- ▶ Appoint National Office leaders for **key cross-functional areas of focus** (e.g., NIL, Sports Wagering, Sexual Violence).

NCAA needs to creatively support its member organizations as they work their way through these challenging times

Issue



Officiating: The greying of the officiating community, poor treatment from many fans and teams and the rising challenges associated with finding qualified officials.



Scale procurement: NCAA represents colleges and universities that purchase, often individually, billions of dollars of the same goods and services.



Viewership: Many members' competitions are on low-quality video streams, if they are broadcast at all; other digital services are fragmented, expensive and uncoordinated.



Championships: Many championships have untapped potential for growth, lack sponsors and do not reach their full-potential audiences.

National Office Action

NCAA and its members need to work together to change the trajectory; this could include streamlined qualification, improved scheduling and financial support.

Work with interested member institutions to create pool of qualified suppliers who agree to discounted prices that institutions could opt-into.

Explore a single digital hub for viewing competitions, sharing best practices and providing collaborative engagement opportunities for student-athletes.

Get creative with championships, seek additional sponsors, create premium experiences, develop an ongoing digital relationship with fanbase and engage local teams.

College sports are popular and growing – with continued opportunities ahead



The media rights bundle going out to bid offers the NCAA a unique opportunity to **restructure the digital and sponsorship rights tied to Division I Men's Basketball** making it possible to dramatically **expand media and digital content and sponsorship for women's championships**.



The NCAA should also determine if there are **other sports that are played by collegians or by young people that are worth supporting and promoting**, such as women's flag football, 3x3 basketball, wheelchair basketball/tennis or pickleball.



This bid also gives the **NCAA a chance to consider a different channel for those who want to watch some of its less visible championships** – and potentially some of its member organizations' conference championships as well.



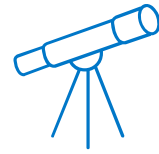
Facilitate alumni events, career services and generally connect the vast ecosystem of championships' fans, participants and sponsors.



Transformation keys to success



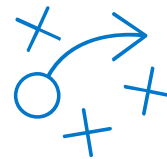
Develop a powerful, compelling case for change – clear articulation of both why “we can’t stay here” and why it will be positive “to go there”.



Focus and move quickly on things that matter – ruthlessly prioritize the few things that drive the majority of the value and accelerate results.



Unleash potential of NCAA staff – use the transformation to find and empower the next leaders and to build the systems and capabilities needed for change.



Increase the metabolic rate of the NCAA – use agile at scale/new ways of working to test and learn, fail quickly or succeed and scale.



Be adaptable in program design – adjusting the program ‘roadmap’ for new competitive situations, opportunities, or market changes.