

THE UNIVERSITY CORPORATION
Board of Directors
February 24, 2011 - Summary

ITEM I. APPROVAL OF DECEMBER 16, 2010 BOARD OF DIRECTORS MINUTES

The minutes were approved.

ITEM II. RECEIPT OF JANUARY 20, 2011 EXECUTIVE COMMITTEE MINUTES

The minutes were received.

ITEM III THE MATADOR BOOKSTORE – A PRESENTATION BY FOLLETT HIGHER EDUCATION GROUP

The Matador Bookstore, operated by Follett Higher Education Group (Follett), is the primary source of educational materials to the campus, and one of seven Follett-run stores on CSU campuses. Follett operates over 890 university bookstores and serves roughly five million students. Follett has operated the Matador Bookstore since 1997. In addition to providing textbooks, the Matador Bookstore supports various campus groups and programs (including Freshman Orientation, Grad Fest, University Scholars), and provides employment to students. Bookstore efforts aimed at increasing school spirit include the sweatshirt/t-shirt swap-out and value pricing on emblematic clothing. All bookstore employees complete rigorous customer service training.

Follett affordability initiatives include textbook buyback, textbook rentals, faculty/staff computer discounts, and efforts to expand electronic textbook availability. One of the earliest textbook rental programs was piloted at Northridge and has grown from four to more than 1100 titles.

Follett's strongest year was 2009. Sales declined approximately \$3 million the following year; the steep decline ceased in 2011, aided in large part to the growth of the rental program. Seventy-five percent of Follett business is books. The textbook business is subject to economic pressures, online competition, enrollment drops, publisher direct marketing, and ISBN (International Standard Book Number) availability on the website, as required by the Higher Education Opportunity Act (HEOA).

Follett is privately owned, has a long-term focus, and is driven by customer needs. The company's 'RED' (Rental, E-commerce and Digital) strategy is designed to guide Follett's evolution as products change, by applying core competencies to the digital supply chain.

Follett's book reader is Café Scribe. Currently there are 10,000 titles available on the platform.