

HARVARD | BUSINESS | SCHOOL



2009-2010 SA Budget Update
August 2009



What is the HBS Student Association?



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Organizational Structure

- The Student Association is a **non-profit organization**, independent from the HBS administration, created by MBA students to be a general governing body
- The Student Association serves as the main **interface** between the **MBA student body** and the **faculty/administration**
- The rules, regulations, and organizational structure of the Student Association are dictated by the **HBSSA Constitution**, which is approved by the SA Senate and reviewed periodically by our auditors

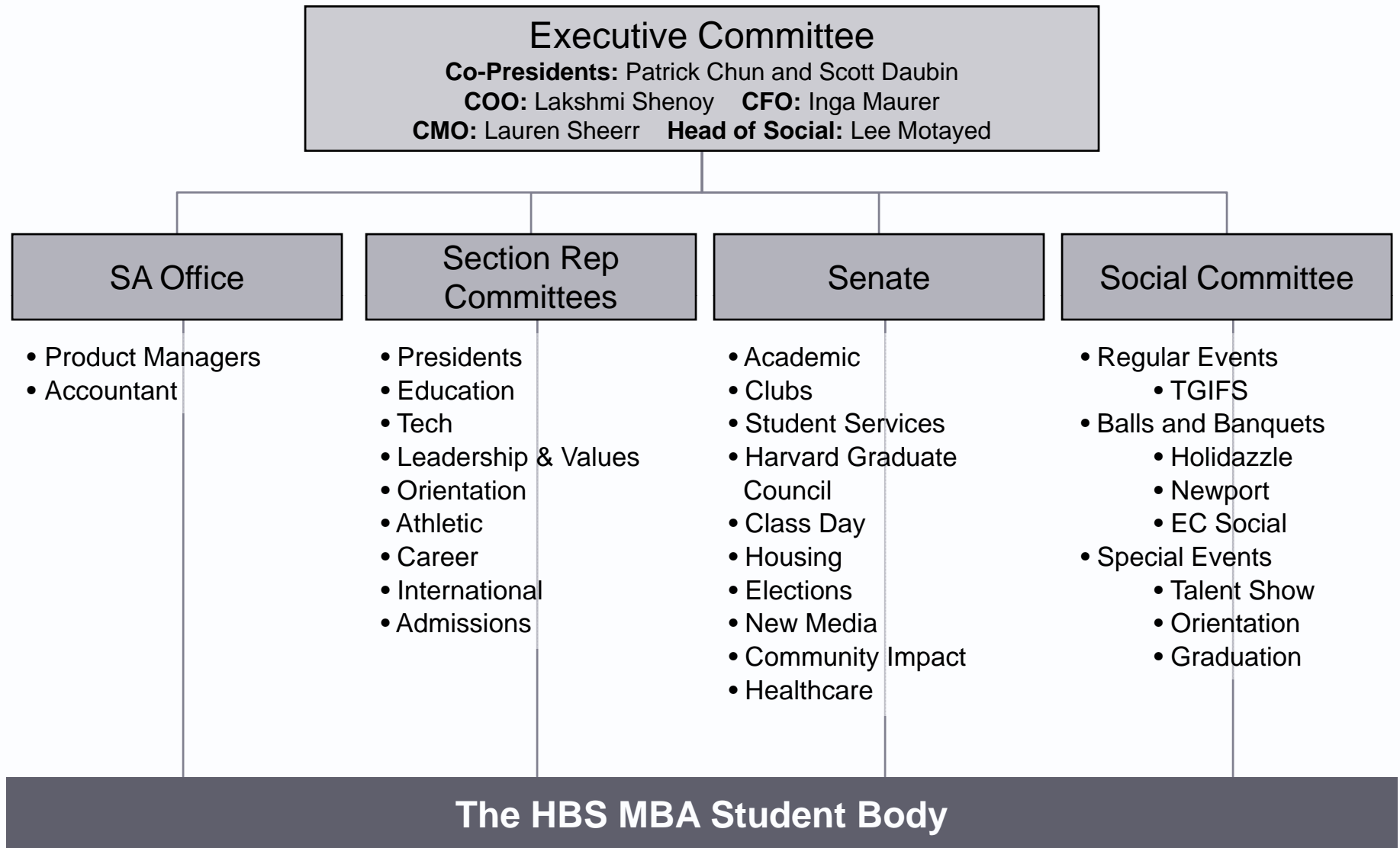
Leadership

- The Student Association is led by the **SA Co-Presidents**, who are elected by the student body population every year, for a one-year term
- The elected SA Co-Presidents are responsible for selecting an **Executive Committee** that helps run the SA over this term
- The SA Co-Presidents preside over the Student Association **Senate**, composed of 20 elected senators (one senator from each section)
- The SA Executive Committee reports weekly to two senior administrative members of **Student and Academic Services** to ensure frequent, transparent communication and accountability

How is the Student Association organized?



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3 Facts to remember about the SA



The goal of the SA is to address the needs of the student body in order to make the HBS experience as rewarding and enjoyable as possible

	Fact	What that means for you
1 The SA is an audited, accountable Non-Profit Organization	<ul style="list-style-type: none">• The SA is an officially registered 501(c)3 non-profit organization• As part of our 501(c)3 status, the SA and Executive Committee are subject to annual audits from PWC	<ul style="list-style-type: none">• The SA budgets and targets for a break-even budget every year• Our mission is to provide every student at HBS a quality experience over two years: we do NOT seek to earn a profit
2 You are all important members of the Student Association	<ul style="list-style-type: none">• Every HBS MBA Candidate is a member of the Student Association• Annual student dues help to ensure a quality and fun experience	<ul style="list-style-type: none">• Given the fluctuations that come with other sources of funding, namely sponsorships, student dues are crucial• This is important for the SA to deliver a consistent experience regardless of the economic situation
3 Three “business units” all geared to deliver on your needs	<ul style="list-style-type: none">• The Student Association is well-suited to benefit your time at HBS through:<ul style="list-style-type: none">• SA Office: Products & Services• Senate: Student Advocacy• Social: Events and Experiences	<ul style="list-style-type: none">• The SA Executive Committee and Senate need as much feedback as possible to ensure we are delivering the quality experiences you want• Surveys, feedback from Senators, and your input helps drive our budget allocation process every year

SA leadership has approved the 2009-2010 budget



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Key Driving Principles

- Rigorous, buy-in approach using conservative forecasts and assumptions:
 - **Sponsorships:** be proactive, hire CMO, but remain conservative on assumptions
 - Use reserves as needed to ensure service levels consistent with previous years
- Products/services offered from the **SA Office** priced at fully-burdened **break-even cost**
- **Student dues** used to support quality events, experiences, and services, including:
 - RC Offerings such as Orientation Week, EC Class Survey
 - EC Offerings such as Class Day, Graduation Gala
 - Schoolwide Events such as TGIFs, Mixers, and Balls (Holidazzle, Newport, etc)
 - New Breakthrough Initiatives such as potential Concert, Community Service, etc

Budget Timeline

March/April 2009:
SA Co-Presidents
and Executive
Committee
finalized

Late-April 2009:
SA Co-Presidents
review and
approve final
budget

Mid-May 2009:
Approved budget is
reviewed with accountant
and finalized (along with
constitution)

March-May 2009:
SA Executive
Committee seeks
input from
senators, students
and drafts initial
budget

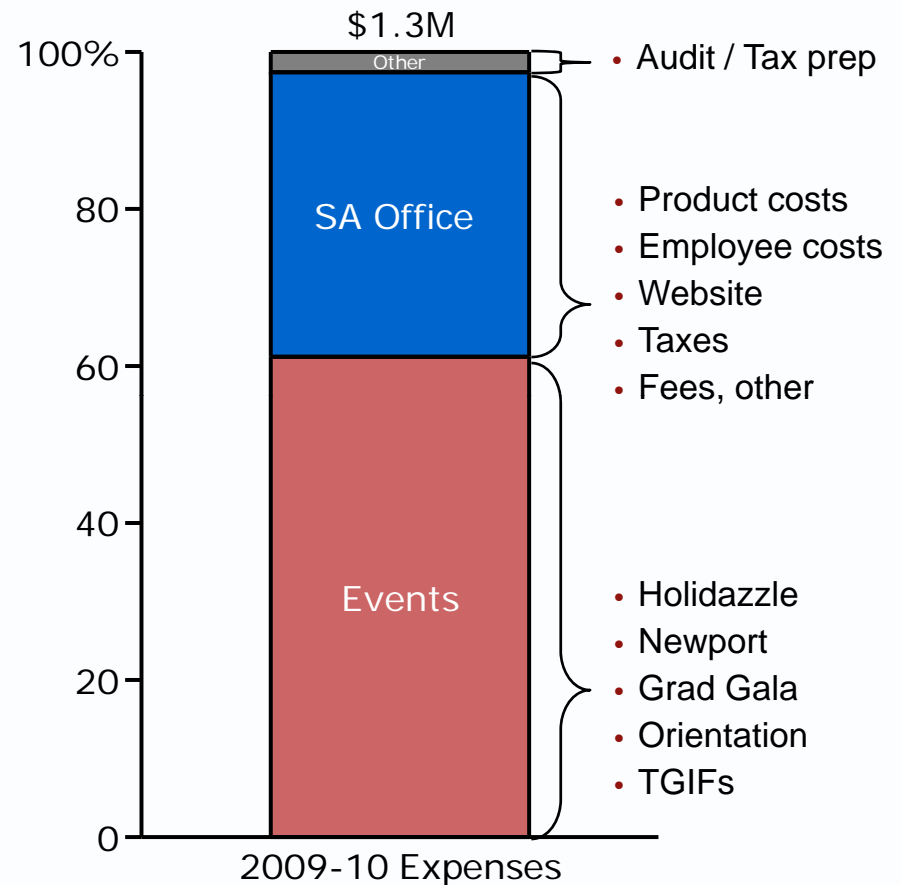
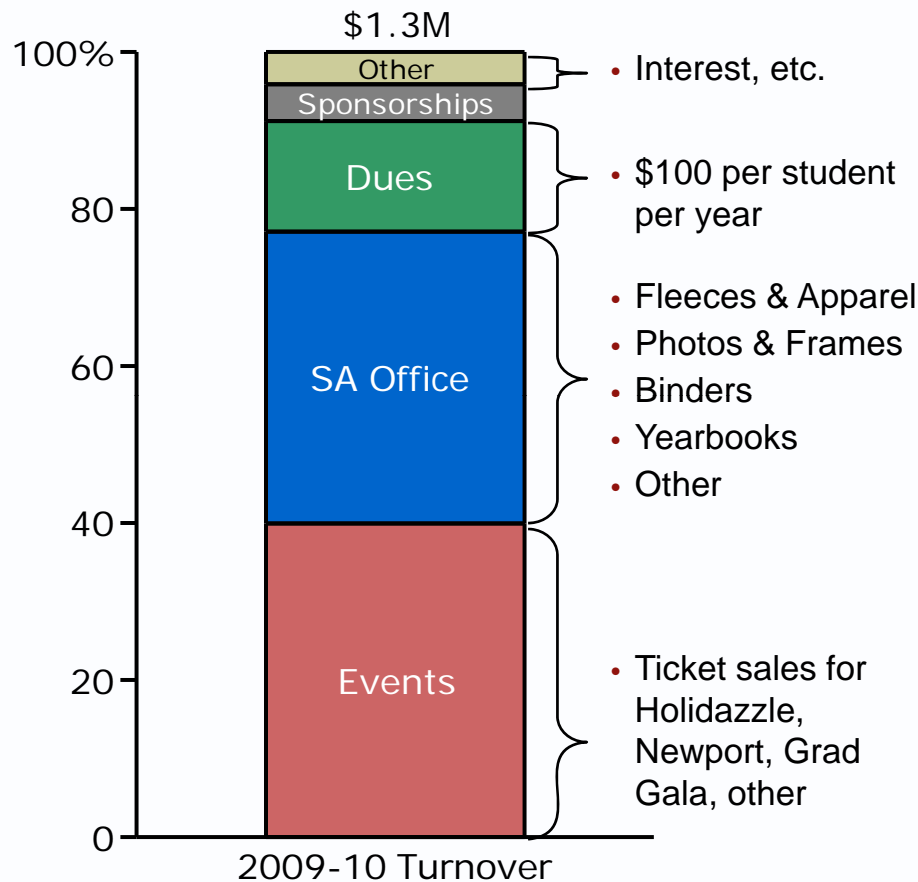
Early-May 2009:
SA Executive
Committee
presents budget to
Senate

Aug 2009:
SA Executive
Committee shares
budget highlights
with HBS
community

SA Budget for 2009-2010 School Year



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Key Facts

- The total HBS SA turnover for the 2009-2010 school year is forecast at \$1.3 million
- Our main expenses include cost of products, event expenses, and overhead
- We are targeting a breakeven budget including projected sponsorship contributions
- Annual student dues mainly subsidize Orientation, Class Day and TGIFs

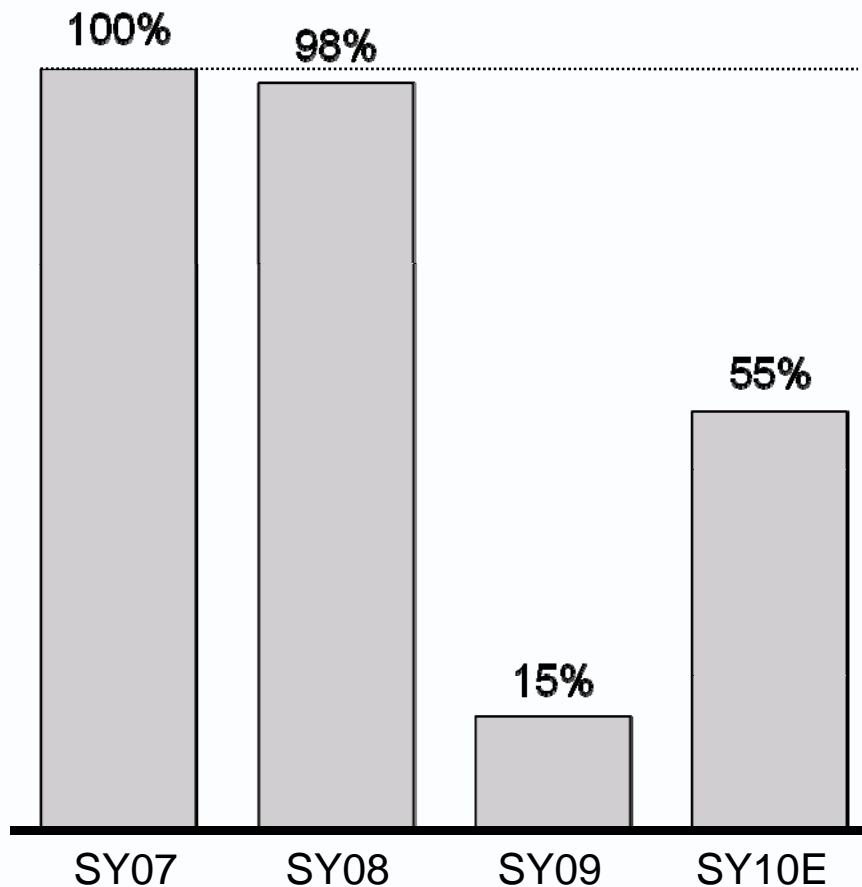
Sponsorships will be down from peak years



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Sponsorship evolution

Rebased to 2007, percent



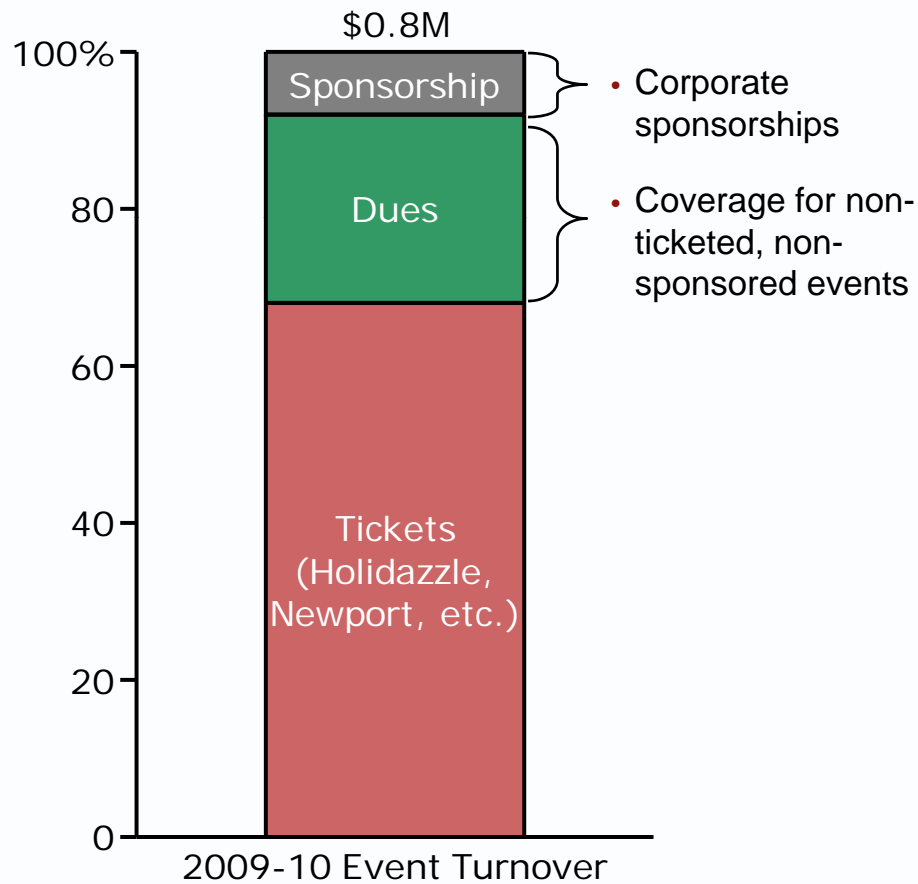
Key facts

1. As an important part of a larger initiative to focus on marketing and branding the SA, the Co-Presidents crafted a new Chief Marketing Officer role on the Executive Committee for 2009-2010:
2. CMO Lauren Sheerr will be in charge of:
 - Tying SA's overall offerings (Office, Events) to a total sponsorship package
 - Managing our first-tier clients more personally
3. We forecast sponsorships to be up from last year
 - The newly created CMO position will be working on an integrated marketing approach to sponsors
 - However, due to the economy, we conservatively estimate that sponsorships will still be down significantly from 2007 and 2008

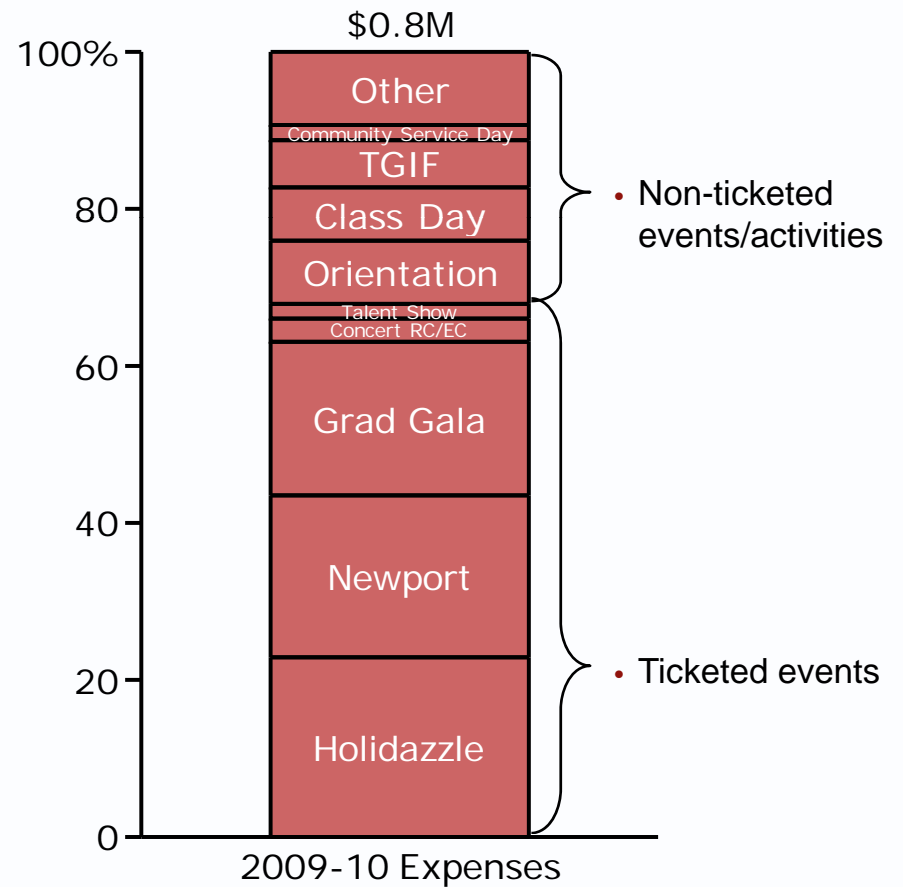
SA Budget for 2009-2010: Events Detail



Revenue / Turnover



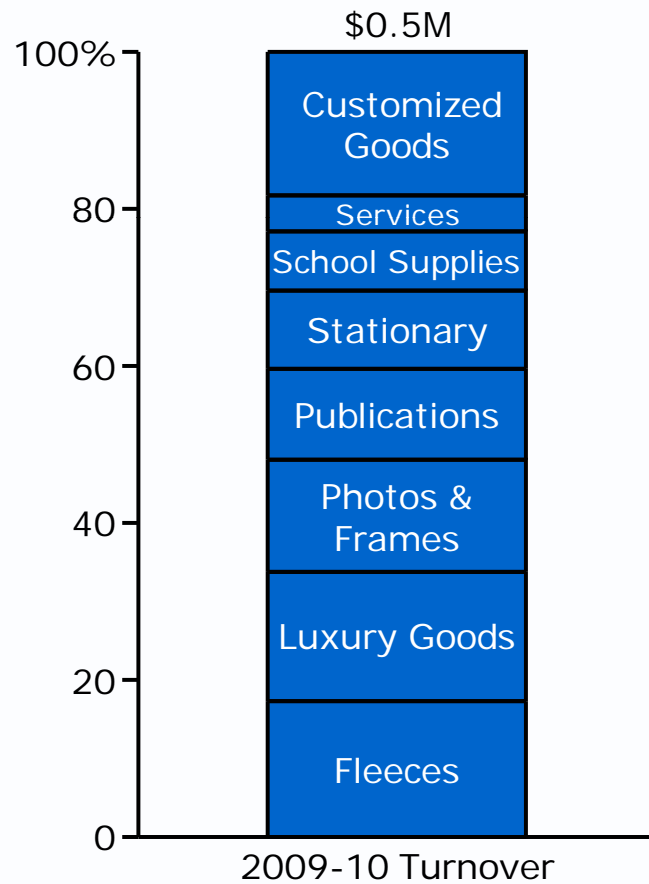
Expenses



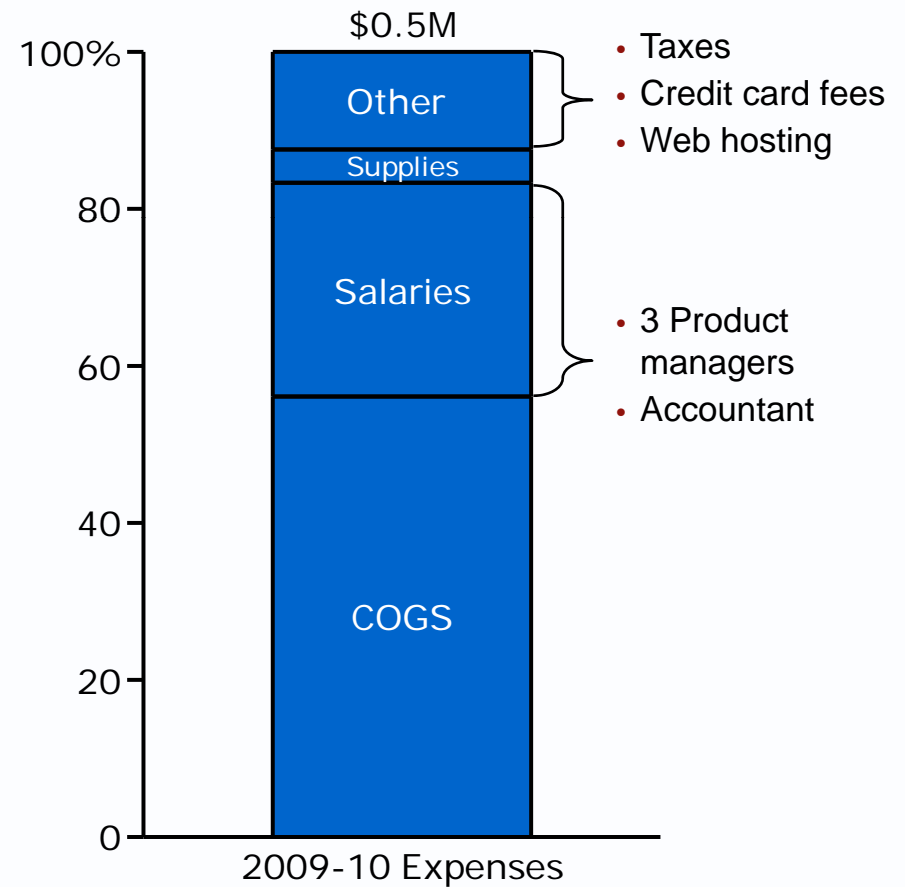
SA Budget for 2009-2010: SA Office Detail



Revenue / Turnover



Expenses



SA Office will continue to enhance product offerings



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Continued Office Products

- Yearbook
- Survival Guide
- Section Fleeces
- Club Orders
- P & D
- Binders
- Baker Photo Plaques
- Section Panoramics
- Stationery
- Diploma Frames
- Samsonite
- Tumi
- Mont Blanc
- Buses
- Dry Cleaning

Investigating New Products

- Berlitz Language Classes
- Business Card Holders
- Flower Delivery Discounts
- Discounted Custom Suits

Key facts

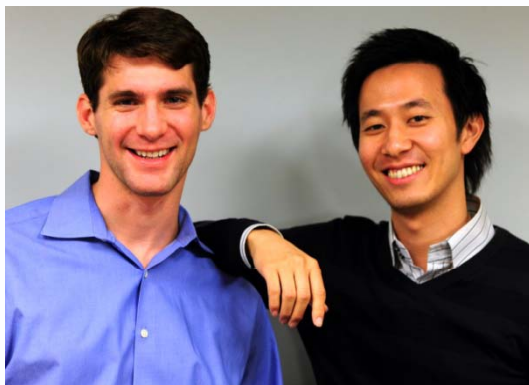
- Office budget developed by COO, CFO, and SA Office Staff
- Bottoms-up analysis
 - Projections are based on past two years of actuals
 - Product by product, price x quantity analysis
- Overhead is built into the cost of all products
- Given current economic climate, projections are conservative
- COO and SA Office Staff have enacted cost cutting measures (rationalization of specific product offerings)

We would love to hear from you



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For general info, see:
sa.hbs.edu

