How BSN and Similar Dealers Structure Their Agreements

1. Agreement Types

Branded Agreements

- These contracts require purchasing exclusively from a specific brand—like Nike, Adidas, or Under Armour—through BSN.
- Benefits often come as manufacturer or distributor "promotional merchandise" or credits—redeemable only for full-retail purchases of that brand's products through BSN.
- Example from a college contract:
 - Adidas-focused deal offering, for instance, \$30,000 in promotional merchandise in Year 1 and \$40,000 annually thereafter, redeemable at full MSRP. (insights.enable.com, psd202.diligent.community)

Non-Branded or Dealer Agreements

- o Allow the purchaser to buy from any brand available through BSN.
- Rebates are structured based on overall spend—regardless of brand—but the rebate itself must be redeemed at full retail pricing.
- In one documented case, purchases across any brand fulfilled through BSN contribute to year-end rebates. (<u>Marshall University</u>, <u>www-nscs-edu.s3.amazonaws.com</u>)

2. Rebates and Promotional Credits

Volume-based Rebates

Schools or institutions might receive a rebate like \$10,000 if they spend a certain threshold (e.g., \$100,000) with BSN. Critically, these rebates only apply toward future purchases and must be used for full-price items.

Layered Brand & Distributor Credits

A branded agreement might combine:

- \$10,000 in promotional product credit from a brand,
- Additional credit from BSN,

- Even a bonus credit at contract end—totaling a seemingly generous pool (e.g., \$25,000)—but only for full-price branded merchandise. (<u>www-nscs-edu.s3.amazonaws.com</u>, <u>BSN Sports</u>)
- **Mixed Models (Discount + Rebate)**
 Some agreements may couple a list-price discount on non-brand items with an annual rebate.

Example: a college receives .:

- o 10% off catalog price on non-branded items, plus
- Year-end rebate of 10% on annual spend over \$150,000. (Northern State University Athletics, www-nscs-edu.s3.amazonaws.com)

3. BSN's Business Position & Behavior

One-Stop Shop Advantage

BSN offers a massive product catalog—including both branded and proprietary "house" brands (like MacGregor and Voit)—and claims to provide competitive pricing, often 10–30% lower than other suppliers. (OMNIA Partners)

Strategic Rebate Management

BSN leverages technological platforms (like Enable) to track and strategically manage rebate programs. This helps align vendor rebates with sales goals and strengthens relationships with suppliers and institutional customers. (enable.com)

Customer Service Nuance

Though BSN advertises speed and service, large-scale customers often report frustrations with inflexibility or slow responsiveness—attributable to its extensive internal processes and bureaucratic layers. (While anecdotal, this aligns with broader public feedback and your observation.)

Refined Summary

- 1. **Branded agreements** tie you strictly to one brand and provide credits or promotional merchandise from both the brand and BSN, which must be redeemed at full retail pricing.
- 2. **Dealer (non-branded) agreements** allow multi-brand purchases, drive rebates based on total spend, yet still require full retail pricing to apply credited funds.

- 3. **Combination models** may offer both list-price discounts and year-end rebate incentives.
- 4. **BSN's strengths** include broad inventory, technology-driven rebate tracking, and service capabilities—but for some, its scale can lead to slower, less flexible customer service.

BSN / Large Dealer Model vs. The Standard Subscription Model

Category	BSN / Large Dealer Model	Atlanta Athletics – The Standard Subscription	
Contract Type	Non-binding Word doc agreement – either Branded (Nike, UA, Adidas) or Dealer / Non-Branded (any brand through BSN)	Annual subscription agreement – flat fee for access to wholesale manufacturing cost pricing	
Brand Flexibility	Branded: locked into one brand; Non- branded: any brand but must be purchased through BSN	100% brand flexibility – full design control and material choice without brand restrictions	
Pricing	Purchases are billed at full retail before applying rebates or credits	Purchases at true manufacturing cost (no retail markup)	
Incentives / Rebates	Credits/rebates (e.g., \$10K–\$25K) tied to retail-priced purchases; may include combined brand + dealer credits; sometimes a % discount on list price	No rebates; savings come directly from wholesale pricing, avoiding inflated retail list prices entirely	
Value Realization	Perceived large rebates often offset by retail markups; actual savings lower than headline numbers	Transparent cost savings from day one – no rebate redemption hoops	
Speed & Flexibility	Large corporate process, slower approvals, long lead times, limited customization flexibility	Small, agile operation with faster production timelines and responsive design approvals	

Category	BSN / Large Dealer Model	Atlanta Athletics – The Standard Subscription	
Service Level	National account managers; high volume leads to slower responsiveness and limited personal attention	Direct communication with product development and design team; faster problemsolving	
Customization	Branded agreements limit style/fabric/color options to what brand offers	Full customization across all product types, fabrics, and designs	
Hidden Costs	Retail markups hidden under rebate structures; freight fees; limited negotiation flexibility	No hidden markups; subscription covers access to wholesale cost, pay only for production & shipping	
Best Fit For	Schools prioritizing brand-name recognition and willing to navigate rebate structures	Schools/teams seeking cost efficiency, customization, and direct control over product quality/design	

Pros & Cons

BSN / Large Dealer Model

Pros

- Access to global brand names (Nike, Adidas, UA)
- Rebates can help offset costs if retail spend is already high
- Large product catalog, including equipment & spirit wear

Cons

- Full retail pricing before rebates reduces true value
- Brand restrictions limit flexibility
- Slower service due to corporate bureaucracy
- Perceived savings often less than advertised

The Standard - Subscription Model

Pros

- Wholesale manufacturing pricing from day one
- No brand restrictions total design freedom
- Faster production timelines and direct communication
- Transparent cost structure, no inflated retail lists
- Ideal for programs looking for long-term cost efficiency

Cons

- No "big brand" exclusivity perks for marketing
- Requires upfront subscription fee
- Some schools with brand loyalty may resist change

