

The Business of Sponsorship:

Successful Strategic Planning to Get and Stay in the Game



Western
Sponsorship
Congress



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- ✓ Corporate Sponsorship in modern business is now routine
- ✓ Businesses are flooded with requests for ‘funding’ under the guise of sponsorship but are often offered little more than a logo
- ✓ True sponsorship offers significant marketing benefits, of value equal or greater than the fee
- ✓ These benefits should be objective based and measurable, therefore strategic

So, What Does it Mean to be Strategic?



- ✓ Purpose of Strategic Planning is to layout a path for competitive edge & profitability
- ✓ To sell more widgets
- ✓ Improve brand value & goodwill
- ✓ Become bigger
- ✓ Faster
- ✓ Stronger
- ✓ And better
- ✓ Than all the competition



Sponsorship & Strategic Planning



- ✓ Sponsorship has earned a place at the strategic planning table
- ✓ If you aren't already sitting at the table, you should be
- ✓ 3 keys to help you, help them, understand this:
 - Sponsorship Requires A Plan
 - Sponsorship Requires A Process
 - Everyone, Top own, Must Stick to the Process & Plan
- ✓ 3 keys to help you stay at the table:
 - Activate
 - Measure
 - Be Bold

The Plan



- ✓ Just like setting targets for budgeting, every good sponsorship program has a “plan”
- ✓ The plan must speak to the mission (what we do) and vision (where we want to be) of the organization
- ✓ The plan must feed into the strategic objectives and tactics (how we get there) of the organization

The Plan Must Fit



- ✓ A good program uses the mission, vision, strategic objectives and tactics to target:
 - Beneficiary Categories
 - Demographic Groups
 - Geographic Regions
 - Strategic Alliances
- ✓ Program plans are cast well in advance
- ✓ Gaps are identified and can be pursued

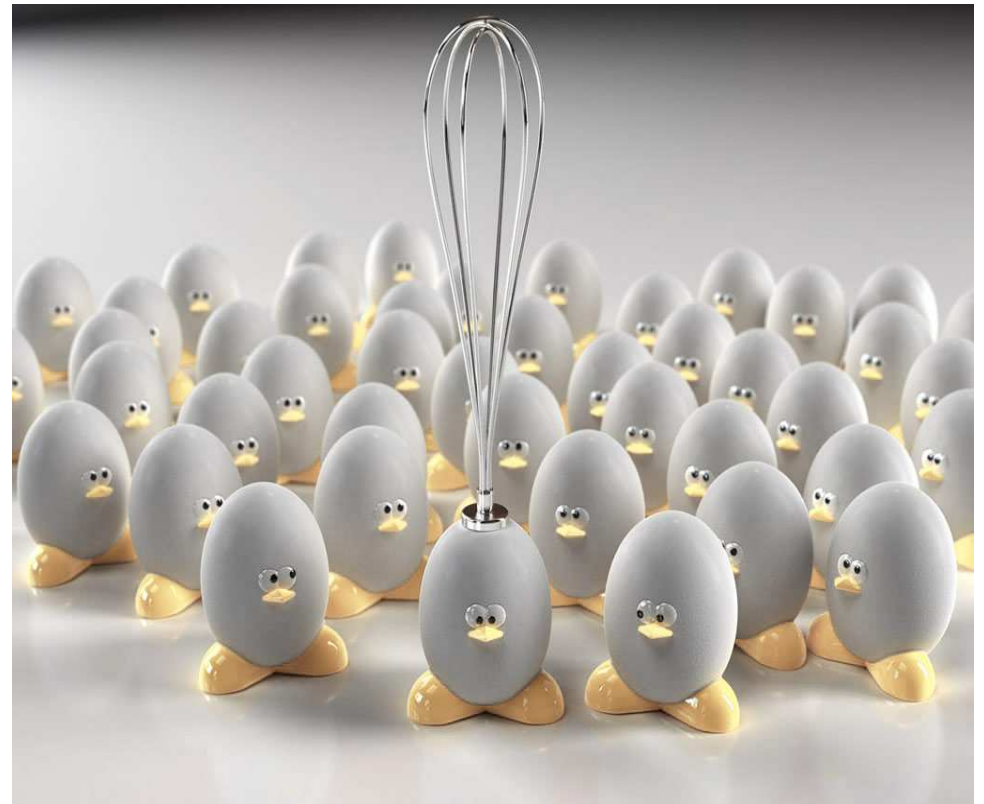


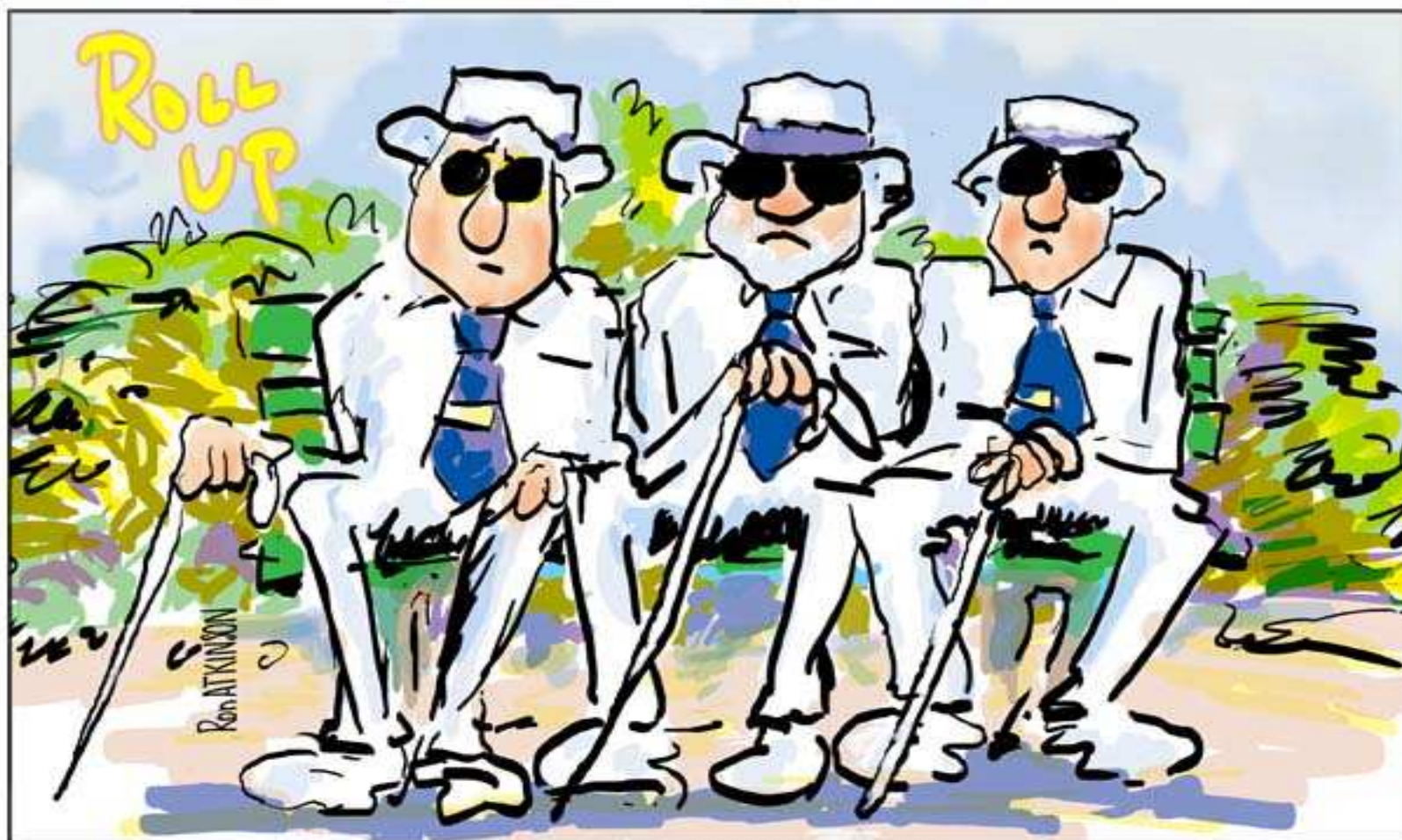
Plan Formats



Your program is your recipe for contributing to the Strategic Goals of the Organization

- ✓ Eggs all in one basket
- ✓ Mucked eggs
- ✓ Eggs Benedict
- ✓ Omelette with everything





THE SELECTION COMMITTEE

Sponsorship Process Model #1



Rule By Committee

- ✓ Sponsorships are decided on by a committee that meets on a pre-determined basis
- ✓ Committee are often made up of a cross-section of senior individuals without a background in sponsorship
- ✓ Selections are often made without a clear sense of objectives
- ✓ Personal causes and/or relationships unrelated to the business often dominate the agenda
- ✓ Measurement usually does not come into play



Please use
side door

Sponsorship Process Model #2



It's All About Who You Know

- ✓ Sponsorship decisions are not made centrally
- ✓ Sponsorships arrive through the “side doors”, usually through Board or Executive members
- ✓ The actual benefits of these deals are often very different than the original “sell” that came through the side door
- ✓ Sponsorships are approached like business hosting, sometimes more like back scratching
- ✓ No measurement tools or objectives



Sponsorship Process Model #3



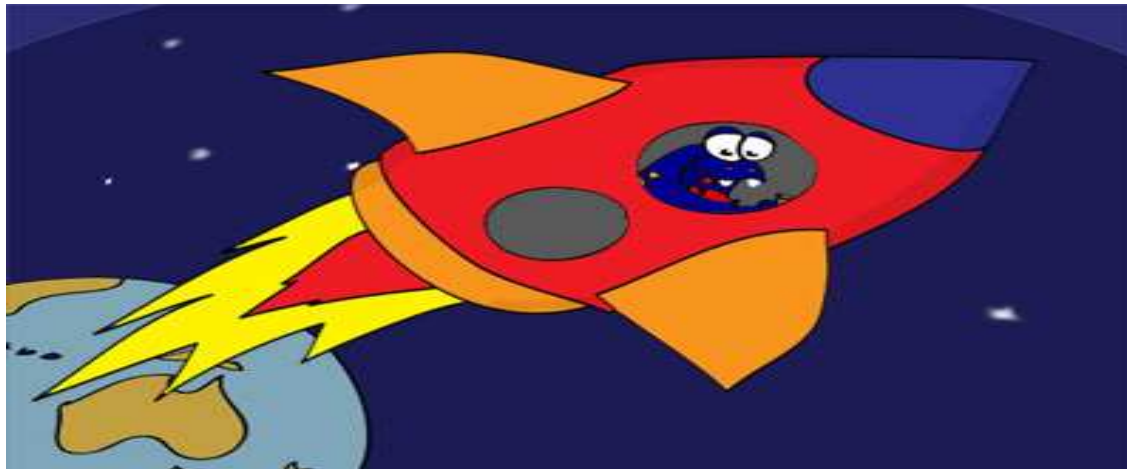
Defined Program

- ✓ Sponsorships are looked after by one area (may be part of another portfolio)
- ✓ Processes for intake, assessment and measurement of some sort are in place
- ✓ Processes are transparent
- ✓ Roles within the department are defined
- ✓ Sponsorships are business based decisions

Challenges in Getting Buy-In



- ✓ Sponsorship is sometimes not seen as rocket science
- ✓ Rather than a strategic tactic, sponsorship is sometimes viewed as paper processing
- ✓ An official program leads to processes, which leads to criteria, which leads to loss of arbitrary decision making
- ✓ A program is more auditable and official



Gains – Sell the Positives



- ✓ Transparency and Auditability
- ✓ Takes pressure off of Board Members & Executive
- ✓ Measurement & Reporting
- ✓ Bottom Line Results
- ✓ Brand Equity Growth
- ✓ Community Goodwill
- ✓ Industry Awards
- ✓ Industry Recognition



Losses – State the Risks



- ✓ AdScam (or Sponsorgate)
- ✓ Lobbying/Outside Pressures
- ✓ Changing of the Guard
- ✓ No ROO or ROI
- ✓ Bottom Line Results
- ✓ Budget Cuts
- ✓ Community Reputation
- ✓ Industry Reputation



The Importance of Activation



- ✓ Sponsorship without activation is just advertising in sheep's clothing
- ✓ Activation = brand engagement
- ✓ Your program must have activation dollars
- ✓ Be prepared to spend at least 50% of fee on activation – shoot for 150%



Measurement is a Must



- ✓ Set your objectives, have a starting benchmark, and measure your success
- ✓ Apply SMART principles:
 - Specific
 - Measurable
 - Achievable
 - Realistic
 - Time Based
- ✓ Budget dollars for measurement



It's Not About Justification...



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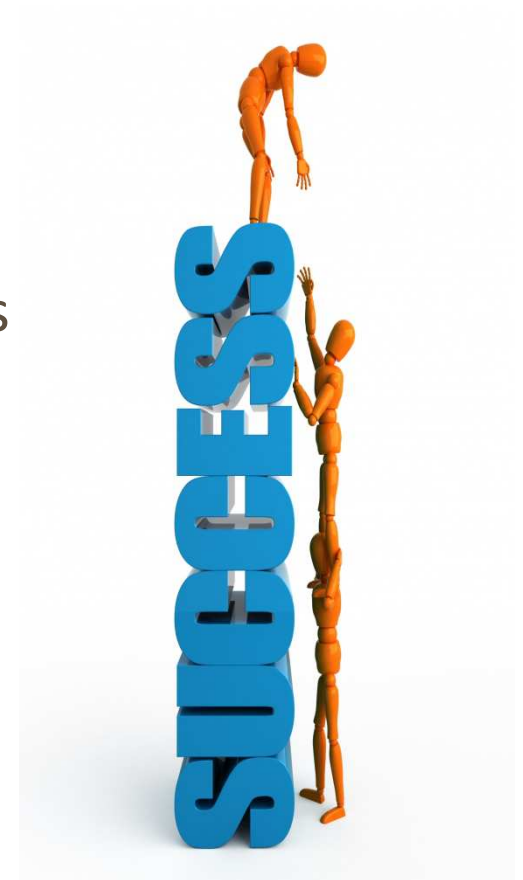


“Unfortunately, we were a little off-target again this quarter.”

Or is it?



- ✓ We all answer to someone
- ✓ You MUST do some sort of reporting
- ✓ Reporting must be based on original objectives
- ✓ Quarterly and/or Annually
- ✓ Big Project based
- ✓ We all justify our budgets and expenditures
- ✓ Be pro-active in the justification
- ✓ Tell your story of success, simply but explicitly



Finally, Be Bold



Take a chance

Questions?



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