

Welcome to

Securing Business Sponsorship



Fundraising3

Trzecia
Międzynarodowa
Konferencja
Fundraisingu
w Polsce

Third
International
Conference
of Fundraising
in Poland

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Sponsorship Fundamentals



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Three Golden Rules



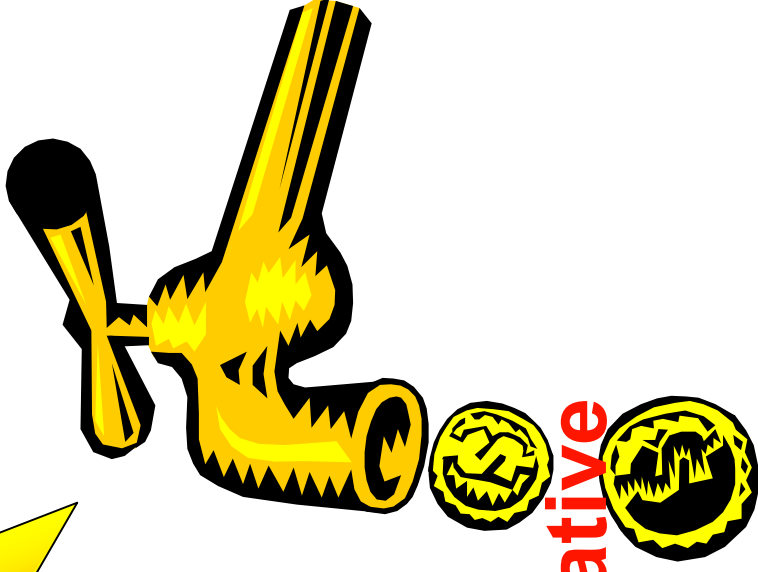
Be ready



Be confident

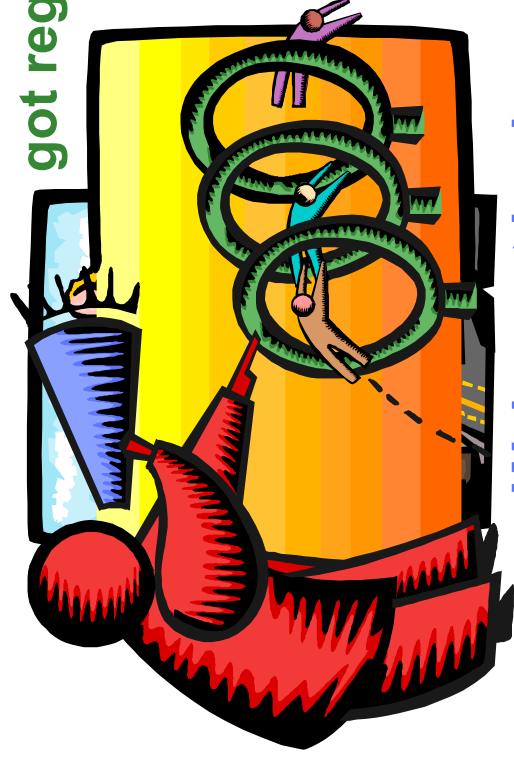


Be communicative



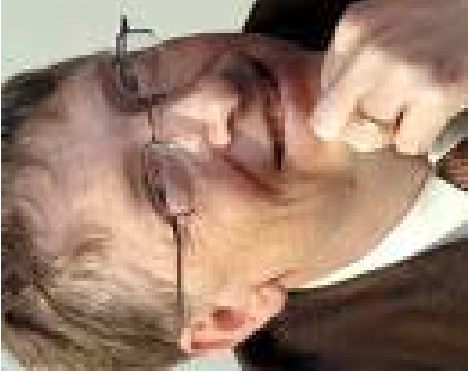
Partnerships?

We've got a brilliant idea, and we'd like you to give us the money so we can do this very cool thing that we haven't got regular budget for.



We've got business needs, and so do you- we'd be interested to see how we might meet each others' needs.

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Bill Gates is coming!

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Three Tests

+ echo

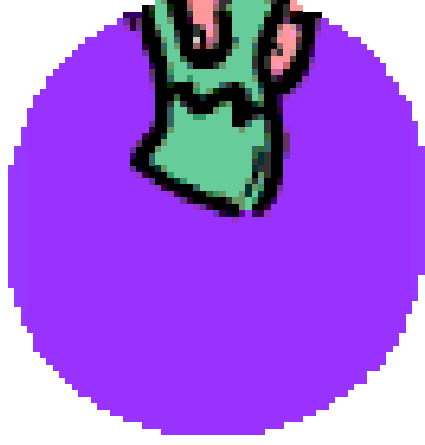
+ photocopy

+ peacock

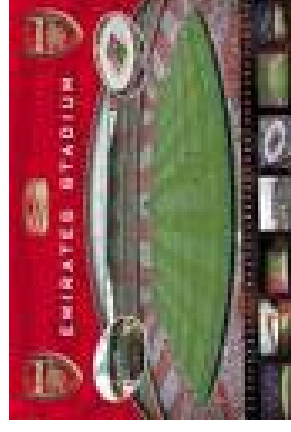
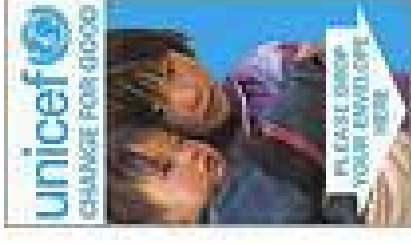
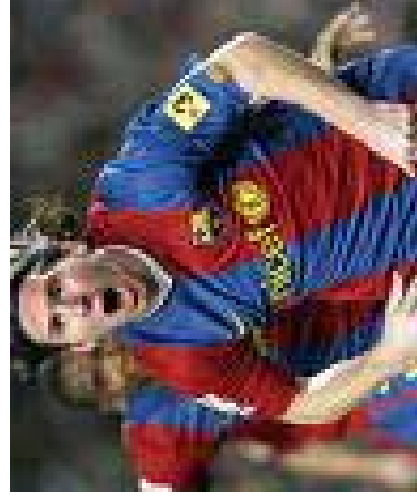
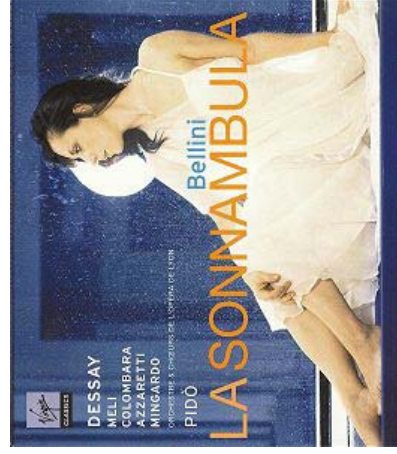


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What is sponsorship?

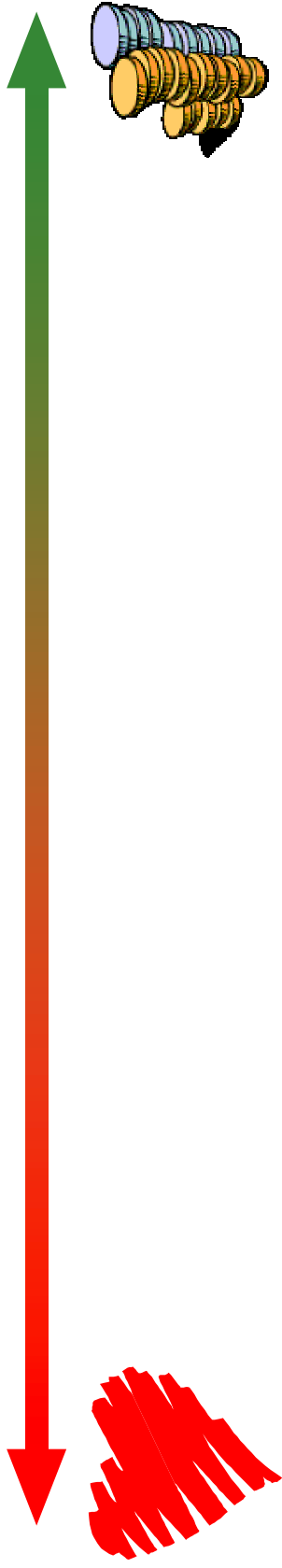


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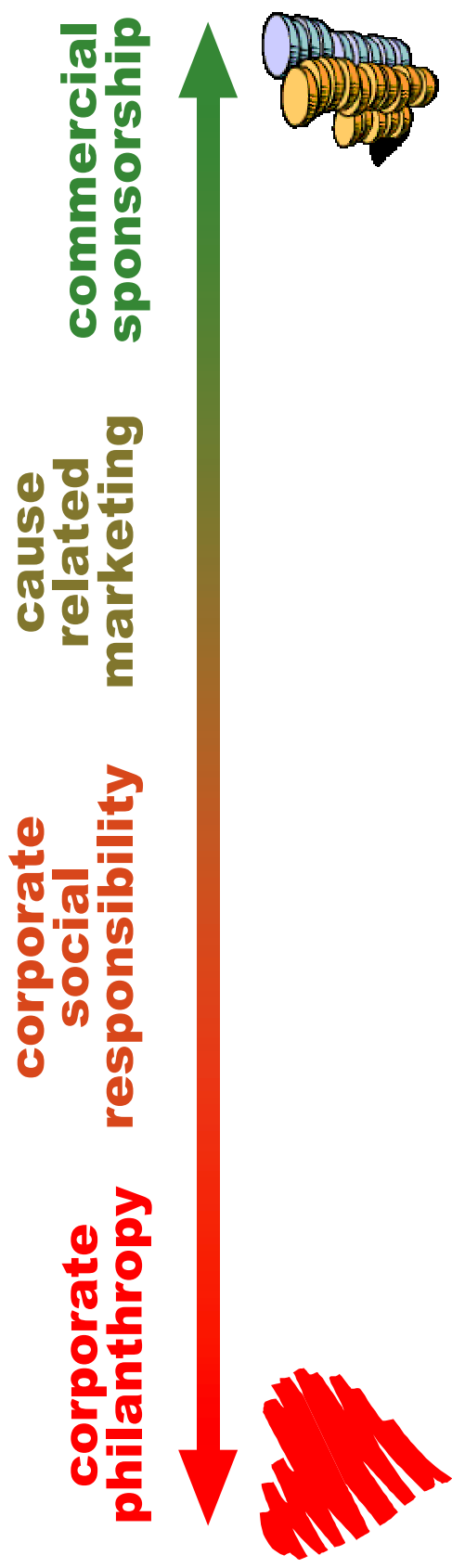
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Commercial engagement spectrum



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Commercial engagement spectrum



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| | |
|--|--|
| <p>CAUSE-RELATED MARKETING</p> | <p>On Product Promotional Customer Database Marketing Affinity Marketing Licensing</p> |
| <p>CORPORATE PHILANTHROPY</p> | <p>Gift Matching Corporate Grants Employee Giving Contributions in Kind Emergency giving Sponsorship</p> |
| <p>SPONSORSHIP & EVENTS</p> | <p>Corporate Contributions to events and sponsorship of events, programmes or activities</p> |
| <p>PARTNERSHIPS</p> | <p>CSR Practices Social Investment Programme Collaboration</p> |

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A NEW WORLD!!!

- Philanthropy budgets are shrinking
- Tough times mean more accountability for every dollar spent
- Current trends and the emergence of marketing techniques and CSR provide new sources of resources for non-profits
- Also mean corporations are much more interested and involved in relationships with causes that allow them to do more than simply right a cheque and wait for a donor report
- Today's corporations approach their relationships with causes as an investment that yields a commercial return for the company.
- We now compete with in sport, community or government activities, the arts, individual, advertising and broadcast for dollars

A.M. Grey, 2008

**“ A business deal
between two or more
parties...”**

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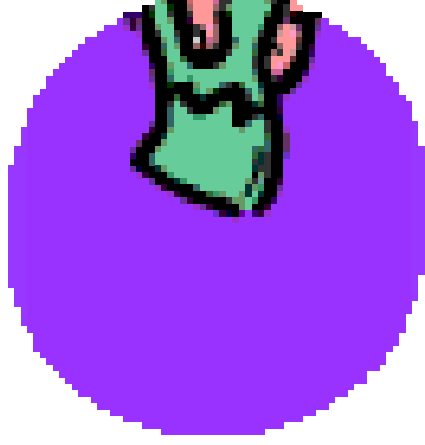
Sponsorship characteristics



- ☺ exchange
- ☺ give & take
- ☺ worth it
- ☺ deliver

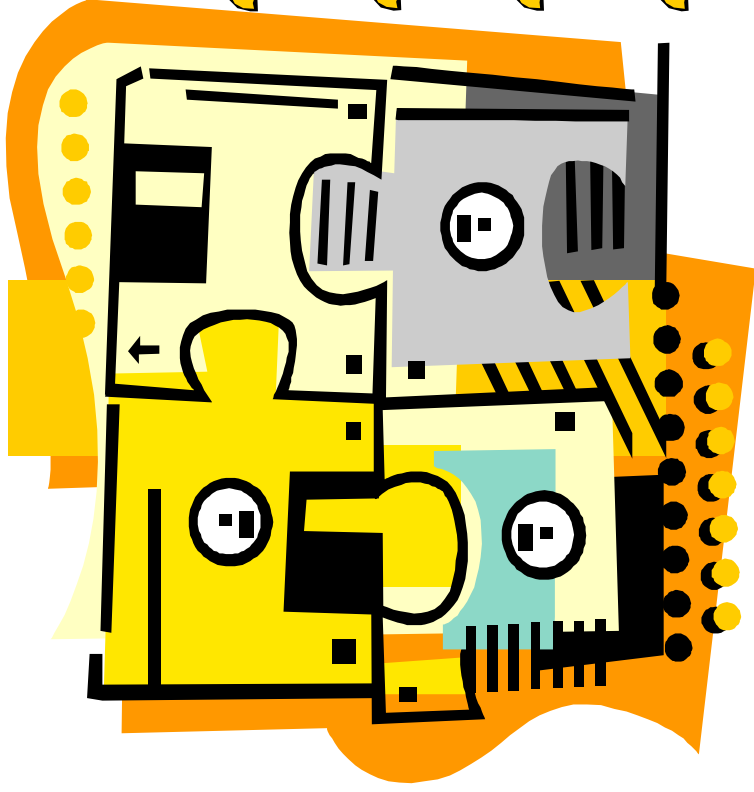
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What's the offer?



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Key strategic questions



? What's the offer?

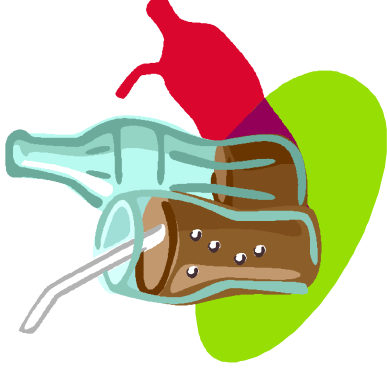
? What league are we in?

? Who's the competition?

? How can you differentiate?

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Choose a level for Coca Cola



multinational

national

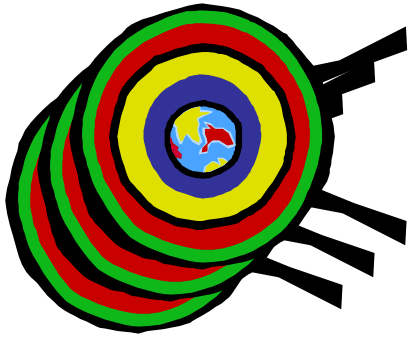
regional bottler

supermarket

retailer

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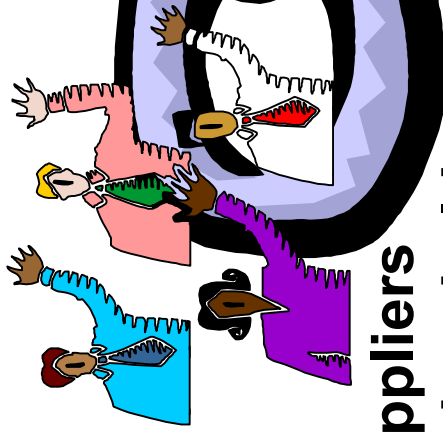
Coca Cola 'future stars' system



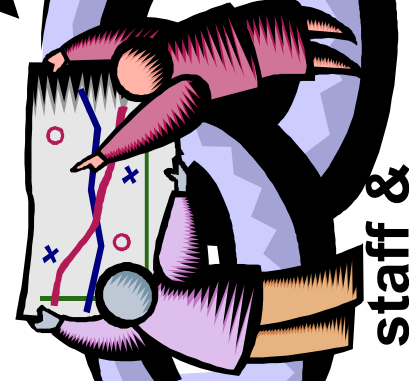
- gain increment sales
- increase awareness in 7-15 market
- enhance local bottlers relationship
- leverage relationship with stars & suppliers
- balance Pepsi's 'new generation' image
- distinguish *Coke* as 'star' not commodity

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Sponsorship value chain



suppliers
& shareholders



staff &
processes



customers &
consumers



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Three Books

! Guinness Book of
Records

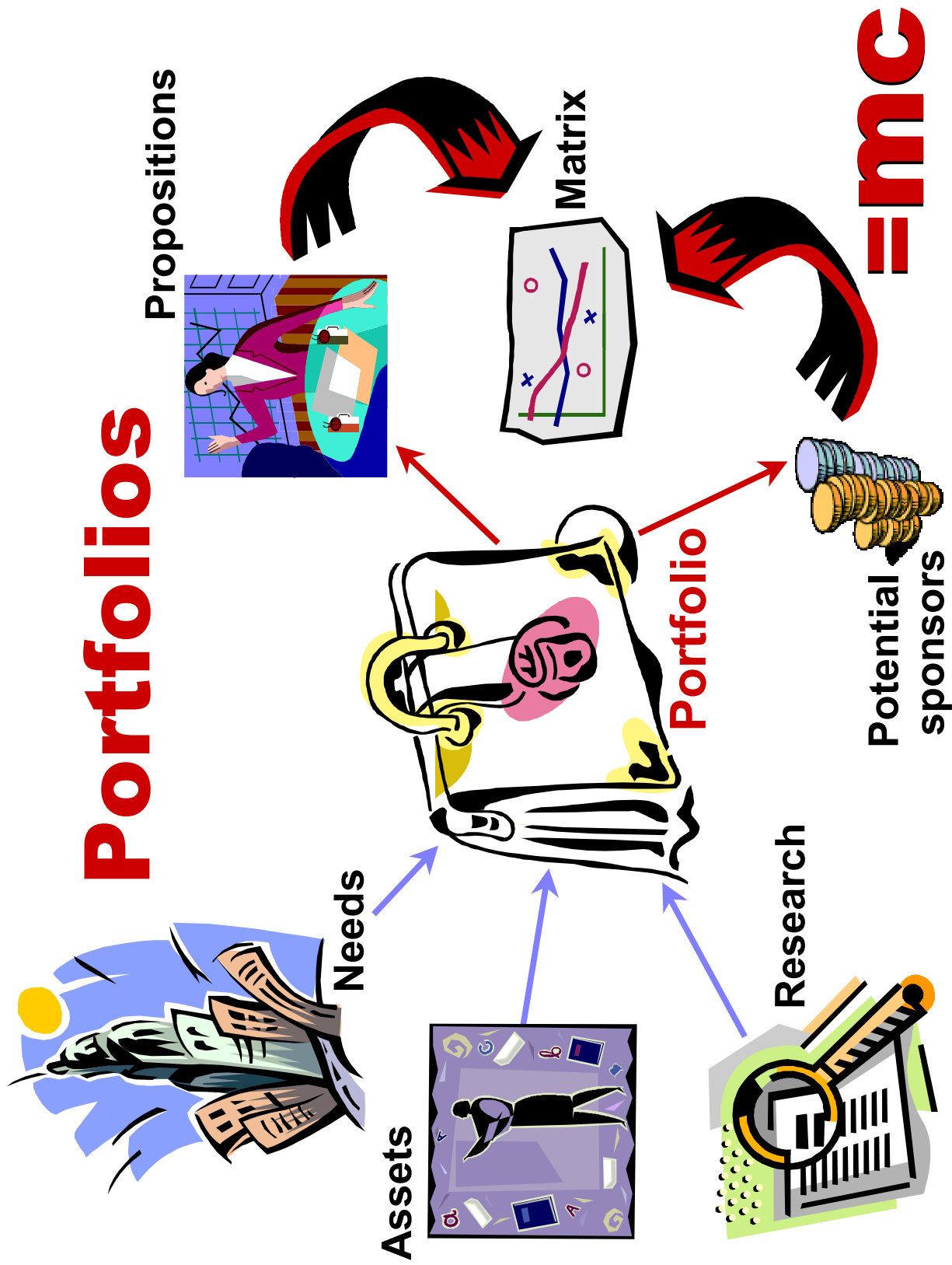
! Who's who

! Bible

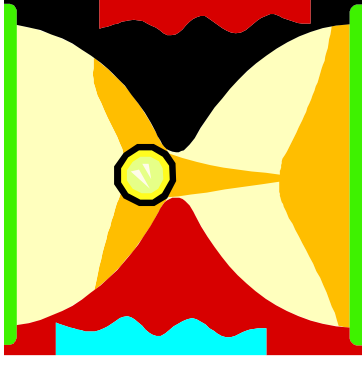


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Portfolios



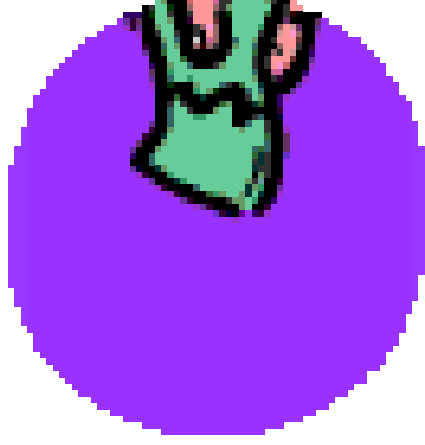
Matching sources to projects



- ? Can they do all/part of the money?
- ? What do they want/need in return?
- ? How hard are they to reach?
- ? What's their timescale for decision?
- ? How will it impact elsewhere?

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Where is the money?



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Sponsorship market values

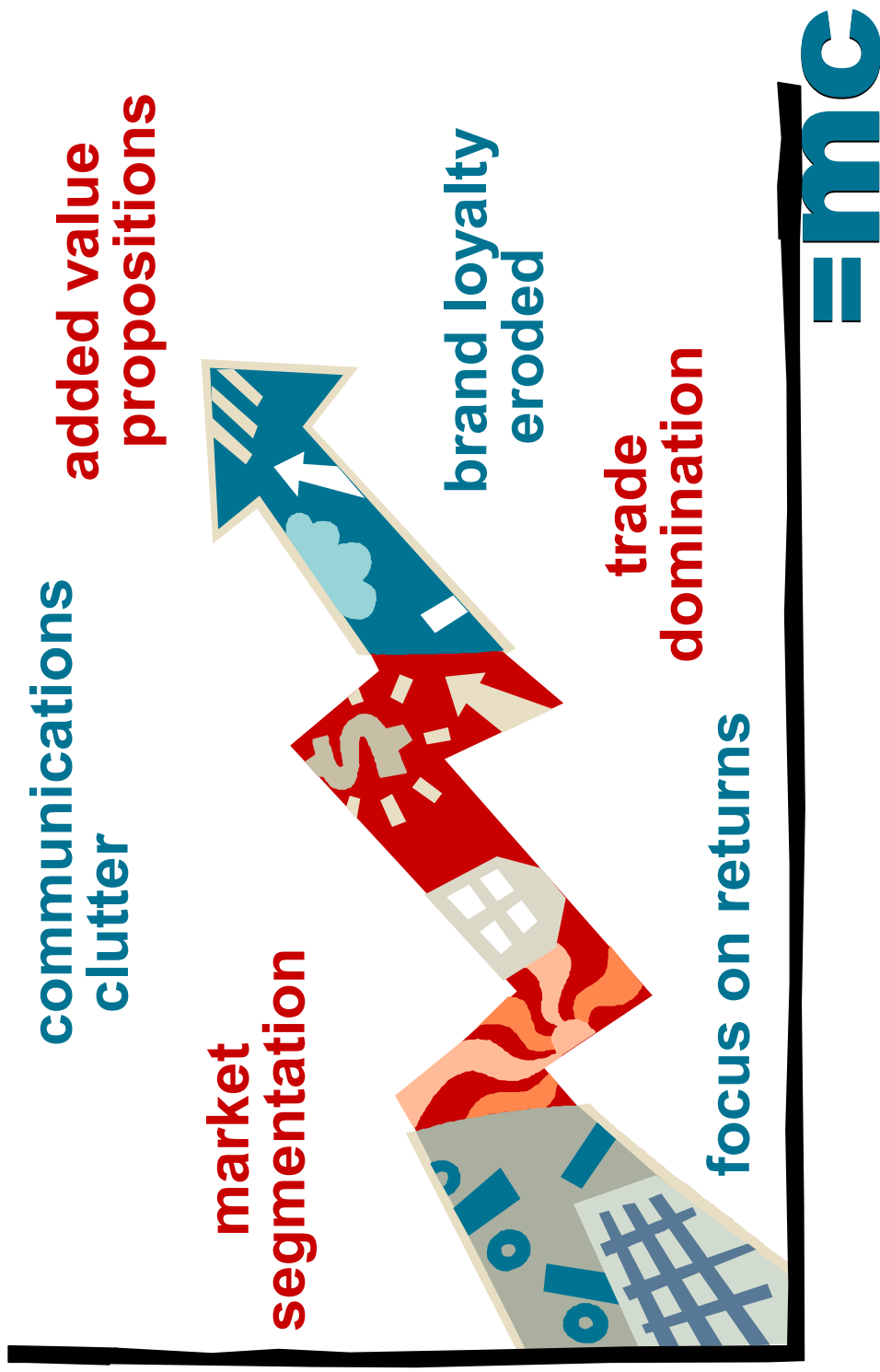


| Country | \$million | % of total |
|--------------------|------------------|--------------|
| Europe | 4,085 | 37.6 |
| Western Europe | 4,030 | |
| Eastern Europe | 55 | |
| Americas | 4,125 | 37.9 |
| Africa | 35 | 0.3 |
| Middle East | 85 | 0.8 |
| Asia | 2,350 | 21.6 |
| Pacific | 180 | 1.6 |
| World total | \$10,860* | 100.0 |

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* \$35B including sport- source mediaedgecia/FT (2003 estimates)

Why is sponsorship growing?



Sponsorship:advertising ratio



| | Sponsorship \$million | Advertising \$million | % |
|-----------|--------------------------|--------------------------|-----|
| W. Europe | 4,085 | 94,815 | 4.4 |
| UK | 660 | 12,887 | 4.3 |
| USA | 3,800 | 101,246 | 3.3 |
| Japan | 2,000 | 40,886 | 4.9 |

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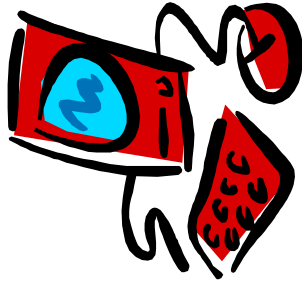
Key growth industries



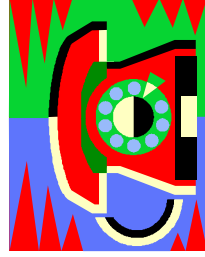
food



airlines



computers



telephony

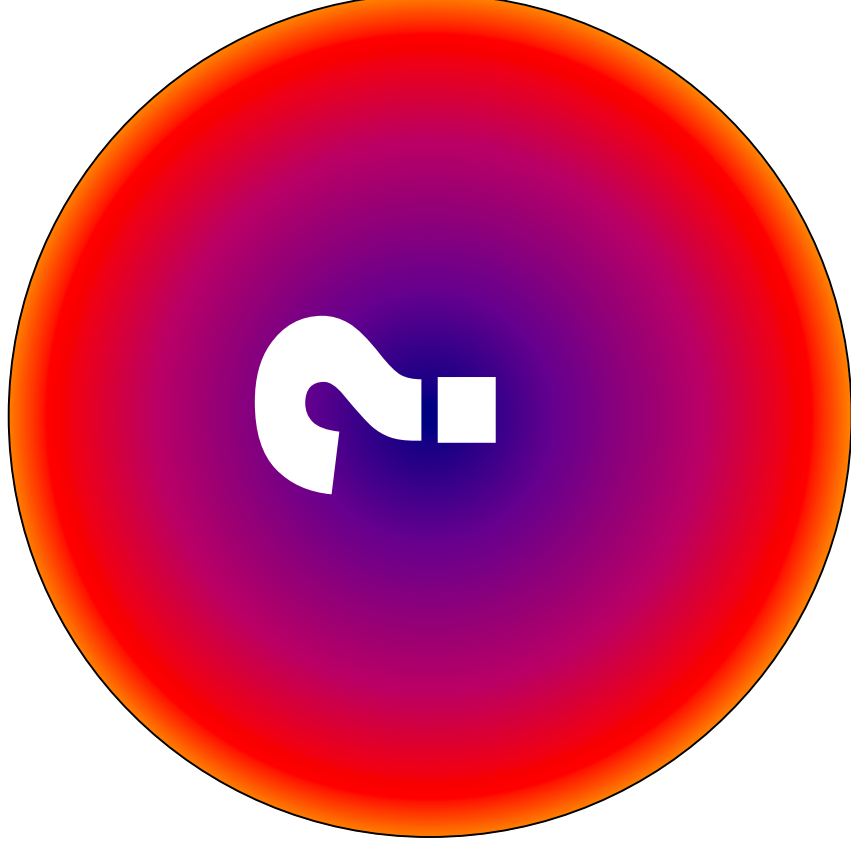
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Deloitte Research 2008

- **Out of the top 500 companies, almost 80% of companies comes from 4 countries: Poland (176), Ukraine (75), Czech Republic (70) and Hungary (60).**

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So how big is sponsorship?



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Key industries by value

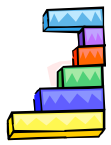
| | | | |
|--------------------|-----|-----------------------------------|---|
| Financial Services | 20% | Mastercard, AXA, Amex, Nationwide | soccer, golf, theatre, music festivals, environmental issues, exhibitions |
| Alcoholic drinks | 15% | Diagio, LVMH, United Brands | festivals, some sports events |
| Telecoms | 8% | Vodafone, Orange, O ₂ | festivals, tv, some community |
| Utilities | 5% | Scottish Power, BP, Shell | charity appeals, arts & culture |
| Supermarkets | 5% | Tesco, Sainsbury, Waitrose | Music, charity appeals, education, museums |



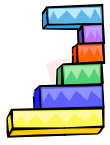
Source: CIM/DCS/CAF 2003

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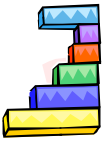
Trends in sponsorship type



hard not soft



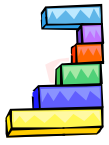
impact more than presence (3Bs)



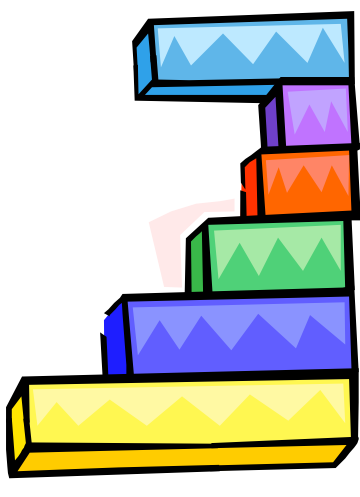
sole and named



designed and 'agencied'



value chained and cycled



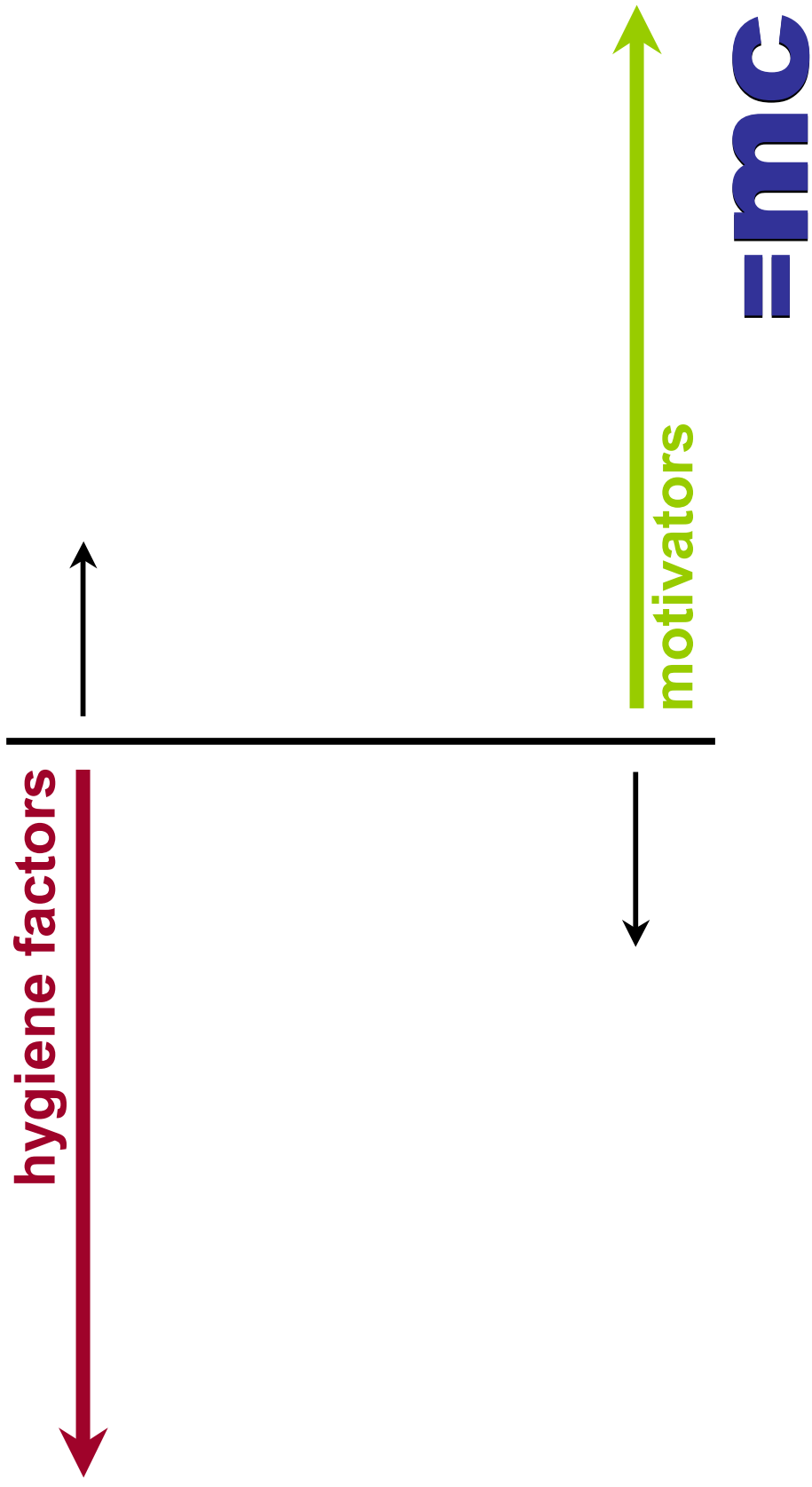
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Motivators



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Sponsorship motivation



influence regulators

consumer test



create awareness

increase sales

business-to-business contact

enhance image

motivate employees

block competition

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Features

versus

Benefits

versus

Motivators

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Aerospace & defense: [PZL Warszawa Okecie](#),

Food: [Agros](#), [Polska Woda](#), [Zywiec Zdroj](#),

Insurance: [PZU \(Powszechny Zaklad Ubezpieczen\) SA](#),

Automotive & transport: [Pol-Mot](#),

Banking: [Bank Handlowy SA](#), [BRE Bank SA](#), [Europejski Fundusz Leasingowy \(EFL\)](#), [Investbank](#), [Kredyt Bank](#), [Lukas SA](#), [PKO Bank Polski](#), [Polish American Mortgage Bank](#),

Chemicals: [Trade-Stomil Sp z o.o.](#), [Zaklady Chemiczne Police SA](#),

Construction: [Budimex](#), [Exbud](#), [Mitek](#), [Mostostal Warszawa](#), [Mostostal Zabrze-Holding SA](#), [Strada](#),

Retail: [Selgros](#), [Stokrotka](#), [TIP](#),

Energy & water: [Elektrim S.A.](#), [Energy Group](#), [ENS](#), [Europol](#), [Krakow Leg](#), [Lotos Grupa SA](#), [Orlen \(Polski Koncern Naftowy ORLEN SA\)](#), [PGNiG](#), [Polanec](#), [Polskie Gornictwo Naftowe i Gazownictwo SA](#), [Powerbridge](#), [Poznan Power](#), [Purac Water Spolka](#), [Rafineria Gdanska](#), [Wingas](#),

Media: [Eurozet](#), [TKP](#),

Metals & mining: [Famur](#), [KGHM Polska Miedz](#), [Kopex](#),

Telecommunications services: [Netia Holdings SA](#), [Polkomtel](#), [Polska Telefonía Cyfrowa](#), [PTK Centertel](#), [TPSA Telekomunikacja Polska](#),

Transportation services: [LOT Polskie Linie Lotnicze](#),

Environmental services: [Asmabel](#), [EdS Polska](#),

Sport clubs: [Pol-Mot](#), [LOT Polskie Linie Lotnicze](#),





“ **Supercubs: a way of clustering or segmenting your sponsors to maximise income.** ”

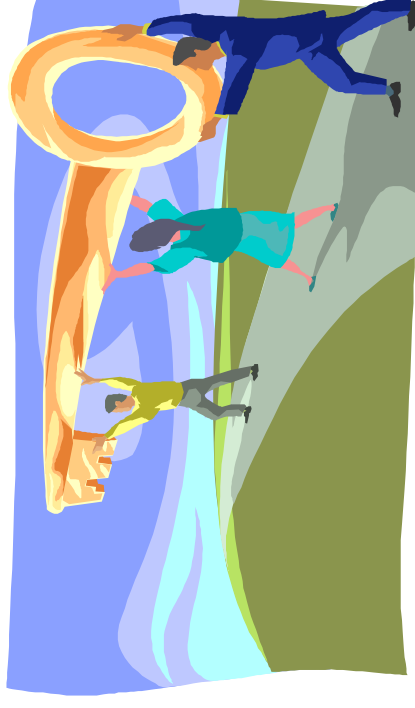
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SPONSORSHIP LEVEL

| SPONSORSHIP LEVEL | BRONZE | SILVER | GOLD | PLATINUM |
|--|--|---|--|---|
| Conference Contribution | \$1000 | \$2500 | \$4000 | \$6000 |
| Conference registrations (includes sponsored activities and meals) | 1 paid registration | 2 paid registrations | 3 paid registrations | 4 paid registrations |
| Booth Space (6' tables) | One table booth in main vendor area | One table booth in prime location | Two table booth in prime location | Two table booth in prime location |
| Sponsorship opportunity (includes recognition of sponsorship) | N/A | Sponsor of a meal, break, or session(s) | Sponsor of an activity or meal (first choice over Silver sponsors) | Sponsor of an activity or meal (first choice over Gold sponsors) |
| Conference brochure listing | Listing of name in conference brochure | Quarter page ad in conference brochure | Half page ad in conference brochure | Full page ad in conference brochure |
| Listing on conference webpage for at least one year | Listed in Bronze section, includes weblink | List in Silver section, includes logo and weblink | Listed in Gold section, includes logo, weblink and 50 word description | Listed in Platinum section, includes logo, weblink and 125 word description |

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Key principles

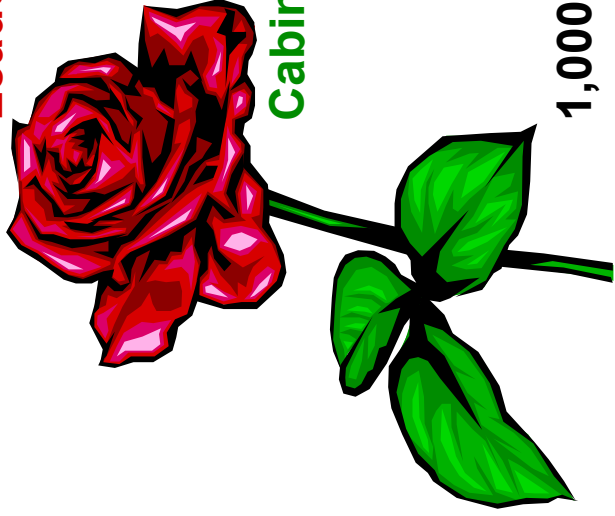


1. People like affinity
2. People like (irrational) difference
3. People like perceived added value

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New Labour Supercub

| What | Cost | Benefits |
|----------------|---------|--|
| Leaders Circle | £25,000 | <ul style="list-style-type: none">• Number 10• reception• chance to fund....• Tony |
| Cabinet Club | £10,000 | <ul style="list-style-type: none">• private dinners• reception• chance to fund• Cabinet |
| 1,000 Club | £1,000 | <ul style="list-style-type: none">• reception• chance to attend conference• MPs |



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- meet the artist dinners after openings
- chance to sponsor education programmes on specific paintings
- organised trips to galleries abroad
- original lithograph
- private members bar hire opportunities

£5,000

Picasso Club



- meet the artist functions pre-openings
- chance to sponsor literature about artists
- organised trips to UK galleries
- signed print

£3,000

Mondrian Club



- print of painting and certificate
- invites to openings
- shared membership of UK galleries

£500

Magritte Club

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Payout Table



10 Picasso members @ £5,000 = £50,000

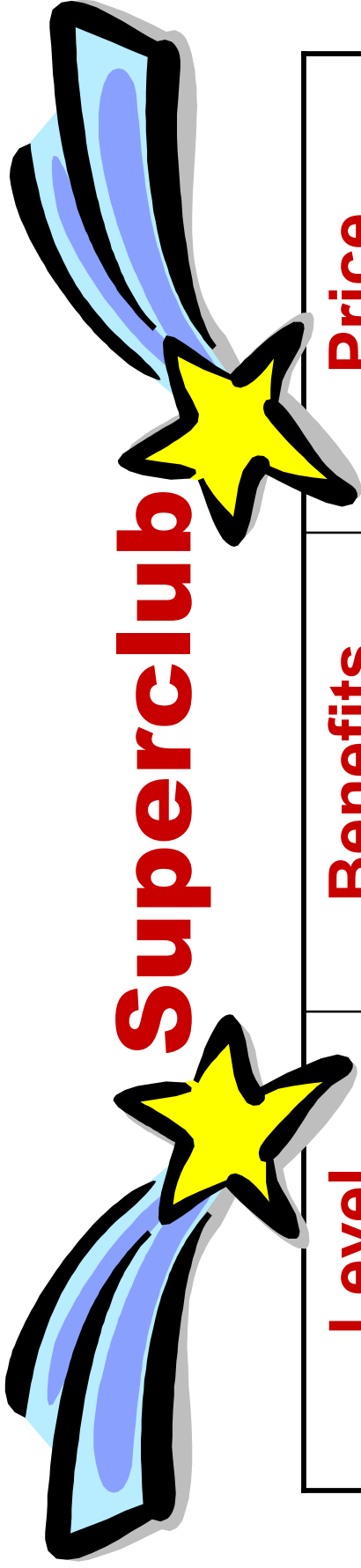


20 Mondrian members @ £3,000 = £30,000



60 Magritte members @ £500 = £30,000

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Supercub

| Level | Benefits | Price |
|-------|----------|-------|
| | | |
| | | |
| | | |

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Membership Superclubs

 primarily about
involvement

 primarily about
money

 tend to be flatter

 segmented

 cost relates to
benefits

 base price
provides access

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Communicating with sponsors



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**Who does a
company
want to
influence?**



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Sponsor access points

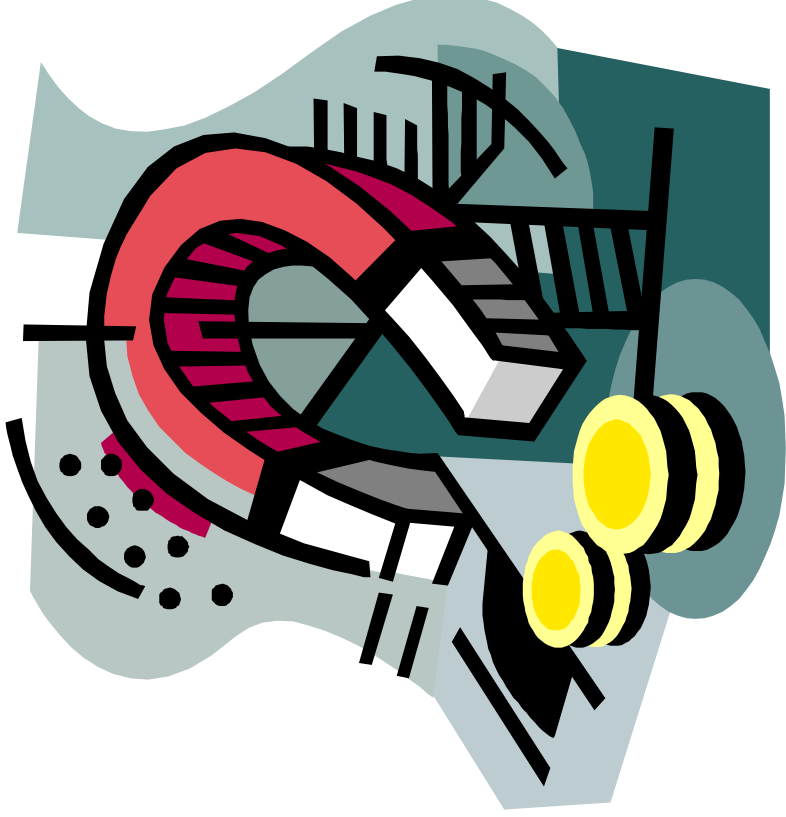
Board

**Marketing
Director**

**Corporate
Affairs**

MD/CEO

Agency

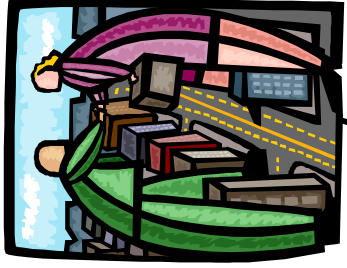


Consultant

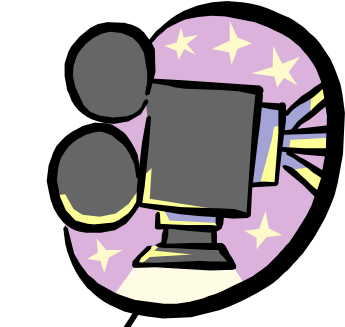
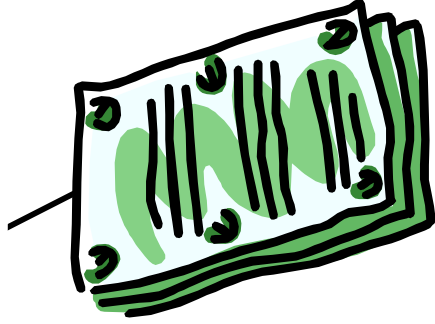
Chair

Champion

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how to communicate to sponsors...?



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Making the ask

Rule 1: ask

Rule 2: ask **BIG**

Rule 3: ask again

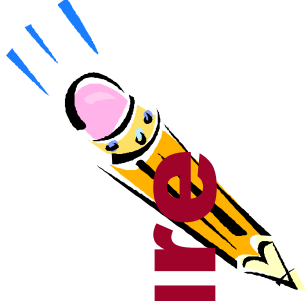


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Written proposals

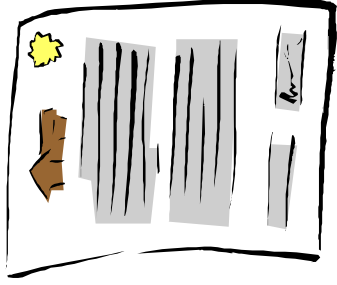


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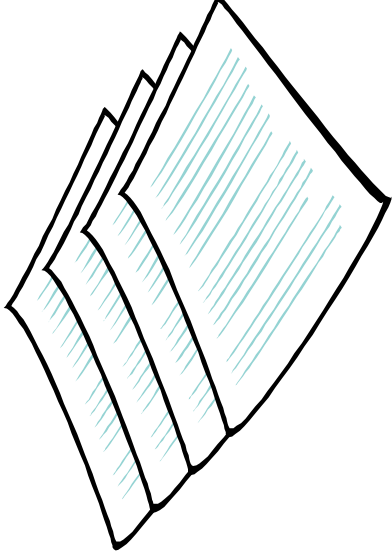


Structure

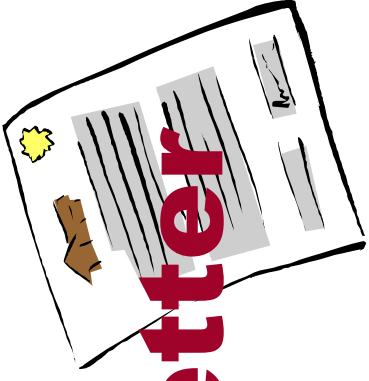
covering letter



proposal



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Covering letter



introduce proposal



introduce you



flexibility

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Proposal



summary



introduction



benefits



project



detailed elements



opportunity list

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Pricing and valuing



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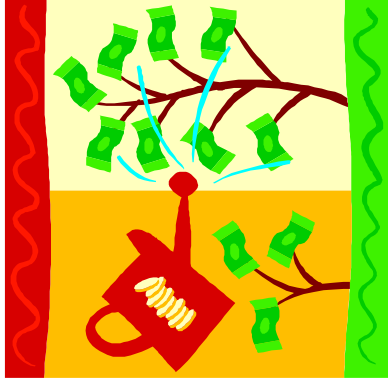
Pricing & valuing

 analogue

 market pricing

 output value

 comparison



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Research options

agency



consultant

self

ANO

=mc

Reference books

Times 1,000

Kompass

Who's Who

Who Owns Whom

Crawfords

Who's Who in the City

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Selecting prospects

- ✓ amount
- ✓ fit
- ✓ timing
- ✓ experience



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Possibilities

Potentials

Prospects

Pay-offs

Partners

**Identifying
sponsors**

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| LEVEL | TASK | NO. |
|------------------|--|------------|
| Possibles | <p>Cast your net as widely as possible:</p> <ul style="list-style-type: none"> ● internet ● competitors ● reference books ● contacts | |
| Prospects | <p>Identify who can meet your criteria:</p> <ul style="list-style-type: none"> ● time ● money ● interest | |
| Pay-offs | <p>The ones that you succeed with:</p> <ul style="list-style-type: none"> ● one time? ● all the money? ● any constraints? ● links to others? | |
| Partners | <p>Those who want to continue the relationship:</p> <ul style="list-style-type: none"> ● on what terms? ● how to maintain relationship? ● what's the mutual benefit? | |



Types or clusters of sponsors

 headline sponsor

 named sponsor

 main sponsor

 'industry' sponsor

 media sponsor

 'level' sponsor

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Contracts

 who

 options

 individuals

 exclusivity

 ownership

 cancellation

 logos

 payment

 rights

 schedule

 benefits

 insurance

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“There may be a gap in
the market, but is there
a market in the gap...?”

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