

SPONSORSHIP

What is Sponsorship?

Definition: a business relationship between a company and an organisation that involves an exchange to the benefit of both organisations.

The matching process involves sorting and assessing the background work in order to find out who are the most suitable sponsors for your funding project. It involves seeking out companies whose project image can be associated with your project. It is helpful if the people who benefit from your project are also the same people who the businesses target their products to. This provides a common interest which increases your chances of being considered for sponsorship. The business can see it as a publicity benefit. An example of this would be an Olympic Swimmer (Gold Medalist) and breakfast cereal.

Suggested Process for attracting sponsorship:

- Identify benefits to Sponsor
- Value benefits to Sponsor
- Identify suitable Sponsoring Companies
- Tailor proposal to demonstrate benefits (To Sponsor!)
- Identify decision makers and influencers
- Lobby influencers
- Present proposal
- Negotiate proposal
- Use altruistic benefits as “icing”
- Leverage media coverage

First of all consider the sponsors perspective and the criteria they will use to judge your proposal:

- How will they see your group in comparison to others
- What do you want to achieve through your activities or events?
- Do your activities or events achieve the sponsor’s marketing objectives. Is it a good fit with their product/image?
- What profile does it give their business?
- How reliable is your group. Your people. Your board. Will you deliver?
- How does the sponsorship help their business. How does it help sell their product/service? Your proposal must address these concerns to have any chance of being taken seriously.

Timing is crucial. Identify their timing criteria and make sure you meet it.

For your own information go through a brainstorming exercise. Identify on paper your:

- Ongoing activities and programmes. Who and how many people are involved?
- What opportunities exist for the sponsors involvement here?
- Special events. Shows, conferences, etc. Who and how many people are involved? Is the event successful and what opportunities exist for the sponsors involvement?
- Communications tools, newsletters, magazines, direct mail, etc. How and to whom do you communicate: members, the public, etc. What tools do you use and what are you planning? How many copies and readers? Who gets it, reads it, etc.
- What are your Marketing Assets - what do you own? What relationships, partnerships have you established and what influential members and unique appeal do you have?

Clearly define your needs

What is the money required for and how will it be spent? The prospective sponsor needs to know (and may require evidence) that their money will be spent wisely in the area you claim your organisation is sound and reputable. Is your sponsorship request for cash only? Have you considered the use of other arrangements? For instance, requesting supplies, products or services that your group would normally purchase or could onsell.

Develop a list of benefits

- Exposure and awareness: How can you expose the sponsor, their products, logos, eg signage, programmes, flyers, advertisements, vehicles, tickets, uniforms, bumper stickers, badges, posters, media kits, banners. Will they have access to your logo?
- Product/Service Use: How can you sell or use the sponsor's products or service?
- What opportunities can you provide and what target markets can you access?
- The Sponsor's Marketing Objectives: What is their philosophy? Does their Managing Director have a personal objective? Can you provide the means to entertain or involve their customers or clients? Can you involve their staff, distributors or retailers?

Using the above notes you can now develop a list of benefits you can offer in return for the sponsorship. Keep in mind that the more ways a sponsor can promote their firm, product or service, the more agreeable they will be to lending their support.

SPONSOR BENEFITS

Sponsors need to benefit from being involved with you. Be as specific as possible. You should aim to give sponsors sufficient data so that they can evaluate the cost effectiveness of your project alongside other promotional opportunities.

As you proceed further in your approach to potential sponsors you will need to tailor the benefits you offer to match the company you are approaching and the nature and extent of your request. However, as part of developing your strategy you should think through all the types and possible packages of benefits.

Some possible ways to recognise sponsors are to put the sponsor's name on:

- all clothing
- all stationary. Can be done simply with a self inking stamp.
- all promotional material eg. entry or registration forms, posters tickets
- noticeboards at clubrooms or offices
- cups, medals and ribbons
- displays requesting members to give the sponsor their business support.
- Club banner
- advertising in programmes and newsletters

You can:

- promote and foster sponsors name and produce on the PA system during the event
- team or individual players to lend themselves to promotional activities for the sponsor
- give the sponsor the opportunity to market products at the venue or to the participants
- distribute of sponsors advertising material to all participants
- venue advertising
- use of photos of the event by the sponsor for own promotions.

MEDIA COVERAGE

This is often the sticking point for local clubs and events but there will be opportunities if you appoint a PR person who chases media coverage. Do not promise what you are not certain can be delivered.

A few points to remember:

- Do not use media material showing a participant, whether the manager or a volunteer, using an oppositions logo brand or equipment etc.
- Do not use a photograph of any one in any media unless wearing something identifying sponsor or subject.
- All press releases to use full event or club title ie. always include the sponsors name if they have naming rights.
- Community newspaper and radio stations often welcome articles or items on local clubs and events.
- Keep a record of all coverage received.

Make your proposal look professional, keep it short and to the point and include

1. **An opening letter**, clear and concise that summarises key points. Introductory paragraph should state you are submitting the proposal to the company and that you would like to be “business partners” (or other suitable words). Provide a simple outline of your group, event or activity, what you can offer the sponsor and the ongoing benefit for the sponsor. Conclude with a paragraph on some of the business benefits to them and close the letter with an indication of the next step (ie. you will call for a meeting with them). Keep the whole thing to less than one page.
2. **A 3-4 page proposal**. This document should capture their interest and be clear and concise. The proposal should include:
 - **Organisation history and future:** Name, location, size, nature of client base, nature of group, profile of executive, affiliations, special features of group, etc.
 - **Sponsorship Outline:** What activity is being proposed.. What are the purposes and objectives. How many participants. What location. Is there a history of success?
 - **Features and Benefits of the Sponsorship:** Summarise the features (signs, attendees, advertisements, coupons, flyers, etc.) and benefits to the sponsor based on your brainstorming notes. How will the features meet the sponsor’s need for sales, exposure etc. Link the benefits to the outlined features.
 - **Investment and Term:** List the price of the sponsorship (GST exclusive) and indicate any options you are offering (ie cash or kind). Suggest a term for the sponsorship (ie 1 to 3 years). A longer term may indicate you are committed to investing time and effort into building a relationship with the sponsor.
Budgets/Timetable: How will you spend the money? Provide a realistic budget for your activity (GST excl.). Show you too are investing money in your activities. Include a timetable and schedule of critical dates. This demonstrates you are organised and professional.
 - **Appendices** including annual reports, media clippings, referral letters, etc are useful once your sponsor becomes interested.

Make your proposal simple in design and easy to read (ie. Bullet points, lists, etc). Try to keep key aspects to one page or less. Make sure the proposal is proof-read, spelling mistakes and use of the wrong names or titles can be damaging. And finally, ask how many copies they want.

Source: FINZ on Fundraising No 27

If you would like a list of our other community resources, or to be put on our mailing list, contact us at:



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