



We're Broke. Want to Sponsor Us?

By Gail S. Bower

I can scarcely think of a worse sales pitch than, "We're broke, and we need your money to pay our bills."

Yet that is precisely the underlying pitch some events, festivals, destinations, cities, and nonprofits use to announce new sponsorship initiatives. New Orleans officials used it to sell, or perhaps justify, corporate sponsorship rights to the 2006 Mardi Gras. The city wanted the money to pay for police overtime, trash clean up, advertising, and other costs it would incur for that year's event, the first since Hurricane Katrina battered the city's physical and financial infrastructure.

Five years later, a complex set of man-made forces has delivered equivalent devastation to the budgets of U.S. federal entities, states, and municipalities, leaving officials grasping for ideas on how to pay for parks, prisons, and potholes. Besides levying petty fines and threatening service cuts, corporate

sponsorship is among the suggestions. Some have even suggested putting sponsorship opportunities up for bid!

Nonprofits, associations, and event and festival leaders sometimes do something similar by seeming to imagine a magical land where corporations are churning out checks. At the risk of being a joy kill, I'm going to say it: it's just not true.

I urge government officials, along with nonprofit and event and festival leaders who may be facing similar revenue challenges, to heed the lessons of the 2006 Mardi Gras. While I have no doubt that sponsorship of Mardi Gras, along with many city, state, and nonprofit programs and events worldwide, would represent excellent value for the right corporate partners, this sales pitch represents precisely the mindset we need to abandon. Corporations do not sponsor events or programs to bail municipalities and organi-

zations out of deficits or funding squeezes. Corporations sponsor successful events or programs that offer them high value, with strong returns on their investments.

Corporate sponsorship dollars are not jackpot winnings from a slot machine. They are not quick bucks made to waylay cash flow problems or fend off some negative state. This income is derived after careful decision-making to develop a new market – the corporate market – for an operation's business development efforts.

Yes, this income will allow cities, states, non-profit organizations and events to pay their bills. True also: governments, nonprofits and festivals may need to develop this revenue urgently to diversify income streams. However, these operations will have a much greater chance of success with corporate sponsorship when coming from a position of strategic strength rather than from one of financial desperation.

6 Steps to Sponsorship Success for Civic, Festival and Nonprofit Leaders

Imagine corporate sponsorship as a new business venture, like launching a new product or service. You wouldn't just wake up in the morning and announce a new product or service. Rather, you'd learn more, prepare your organization, ensure that you're assembling the right team, that your product or service meets a market need and allows your effort to be distinct.

The same strategizing applies to sponsorship development. When I work with clients to develop this potential, clients are amazed at what a paradigm shift they are making and at how much more valuable their program is with outside assistance than if they'd launched on their own. Frequently, organizations kick off a sponsorship program, get going, and then realize they've bitten off more than they realize and may be thinking too small. Uh oh. Then they spend more time and resources doubling back, making corrections, and essentially restarting.

Sponsorship is not RFP-worthy. Thinking you can put your sponsorship opportunity up for bid, like several government leaders indicated recently, is wishful thinking. Similarly, government officials strong arming corporate leaders to support their sponsorship programs will also backfire, especially when the next election rolls around. (To any corporate readers, resist. You need your own strategies, and bending to pressures from public officials does not a strategy make.)

Here, then, are six key steps in broad strokes that your operation needs to make in order to lay the important groundwork for success with corporate sponsorship.

Staffing. First, be clear that your operation is prepared to launch and sustain the initiative. Sponsorship development, like any endeavor, requires ongoing attention from staff members to create new opportunities; to cultivate relationships with potential partners; to share these ideas with and market them to prospective corporate partners; to negotiate these deals; and ultimately to fulfill the benefits and obligations of the partnership.

Who on your staff will be responsible for developing sponsorship? What qualifies him/her to lead this initiative? What experiences indicate that this person will be successful? How will this person or team be supported? How will these responsibilities fit in with overall responsibilities?

Policies & Parameters. Along with your staffing operation, you'll want to determine a range of policies and parameters – ranging from minor logistical issues to important strategic ones – that will impact or be affected by your sponsorship

program. In my work with clients, I've met individuals from other organizations whose boards and leadership approve the decision to develop sponsorship, but with no real understanding about what that decision means, they sabotage the success by sticking wrenches in the plans. At the other extreme, I recently spoke with one nonprofit board split about whether to pursue the corporate sector. Their policies and parameters were so narrow that *maybe* five companies in the entire world would rank on their acceptability meter. No telling if this teeny prospect list would be a fit otherwise, based on the companies' goals, so I urged this group to abandon the idea of sponsorship. It's just not the right fit for every organization, event, festival, or government entity, and that's OK. You don't want to box yourself in a corner; instead, you should be thinking expansively and with clear, workable parameters.

Assets. Next, in order to develop sponsorship opportunities, your team must conduct an audit of the assets that your organization offers the corporate market. What assets will you leverage to provide value to corporate partners? How will you know that these assets are of value and will meet your customers' needs? These assets take the form of access to your audiences through marketing efforts and through the value of leveraging your programs, events or festivals. Corporate sponsorship is distinct from other vehicles in the traditional marketing mix because it offers qualitative, experiential benefits. Simply sticking a logo on a brochure is not corporate sponsorship. Having a mosaic of logos on the back of your festival t-shirt is not sponsorship. Calling a company a Gold, Silver, or Bronze sponsor is not sponsorship. These approaches are of very little value to corporate marketers and to your own event or organization.

How will your operation enable experiential opportunities for corporate partners? How will these interactions showcase the sponsors' products or services before your customers? How will your program derive meaningful results for your corporate partners?

Value. Conducting this audit will help your team become keenly conversant with your corporate sponsorship opportunity and will help you recognize the value of your programs or events to meet the business and marketing goals of corporate partners. With this understanding, you will then be able to assign fees to this value. First, shape what your program can do for potential partners. How can you package these benefits to ensure that you meet your partners' goals and that you don't leave money on the table?

Marketing. The next step would be to hit the streets and begin marketing your sponsorship opportunities. The key to this sort of marketing – or selling – is in cultivating and developing relationships. Be sure your team has adequate time and resources to research appropriate partners, cultivate relationships with these individuals, propose ideas, negotiate deals, and ultimately attract corporate partners for your operation's programs or events that will build and grow over time.

Fulfillment. The relationship doesn't end with the signing of an agreement. In fact, it's just beginning. Your team will fulfill your operation's obligations and help your new partners execute meaningful collaborations. There are deadlines, artwork to develop, even more details to negotiate as the plans and ideas come to fruition.

And this process is ongoing. Just like the development and growth of any new product, service, or program. Your staff is continuously fortifying its relationships with your corporate partners, which will strengthen the partnership and foster longevity.

If you're considering sponsorship to help diversify your revenue, think of corporate sponsorship as a new service your operation offers. First, develop a strategy. Understand the value you have to offer partners. Take the time to ensure that you have the proper infrastructure, competence, resources, and cultural support for your sponsors to thrive.

Postpone corporate sponsorship development until you are able to launch the program with a service that prospective partners need and want, no matter how urgently you may need the income. Allocate resources for the start-up phase, and be sure there are policies and adequate cultural support. Think big. And don't beg.

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