

THE POWER OF IN-KIND...

Five Ways to Discover Renewed Value Within Your Event

By Christy McBride



Imagine your event with no cash sponsors, ticket sales revenue, vendor fees or any other currency exchange. Would it still have value? Whether your event is big or small; has a ten-million dollar budget or no budget, understanding the power of in-kind can increase your bottom line.

1. Using In-kind to Measure Your Success

Measuring the overall success of an event can be challenging. Ticket sales, entry fees & sponsorship dollars are cash related components that are commonly measured to demonstrate the value and success of an event. But what about all the non-cash related components? Donated goods, services and volunteer hours are all equally important. How are you tracking these? How do you measure the value they bring to your event? Recording all in-kind contributions, big or small is important. It is a method used to label and measure worth on donations or gifts, a way to document the thousands of non-monetary goods & services that filter through your event.

Scenario: A local company hears about your upcoming Fun Run this Saturday. They decide to drop off a little donation Friday afternoon, a box of five hundred lip balm tubes. Saturday morning you quickly toss a lip balm into each of the runner's goodie bags.

Lip balm in a runner's bag may seem like a small thing, but if your process stopped after tossing them in the bags, you just overlooked an important asset. Each lip balm is worth \$2.50 at the local market. A \$1,250.00 value went unrecorded and perhaps unnoticed. If that company dropped off a check for the same amount, would you have handled it differently? By placing a current market price on goods and services that are offered and recording them as in-kind contributions you are showing a true valuation of your event. It may take a little extra time but the benefit of presenting an accurate account and increased bottom line is worth it. Sending a thank you card or letter that identifies the value of the gift is also important. The donor can use it a tax deduction and they will appreciate you recognizing their generosity.

Note: When recording in-kind contributions as assets to your budget, don't forget to also record them on the expense side as well, when they are used or given away. Because no actual money is exchanged your accounting team or auditors will want to see this balance.

2. Using In-kind to Increase Your Revenue

Taking in donations that may seem minor or trivial and passing them along as tokens or gifts is a great way to heighten the experience of your guests. But how can this common practice be used to boost your bottom line?

Scenario: The manager from the local bank calls you when he sees your poster advertising the 4th of July parade. He knows it's going to be hot and would like to donate thousands of hand held fans. Parade spectators could use these to keep cool.

Many companies are eager to donate items to be given away at your events. Don't let the word "donate" fool you in to thinking they are doing you a courtesy. These companies recognize how much time and effort goes into marketing & branding of events. Chances are they know your audience. For a small investment they can purchase thousands of promotional items announcing their store or displaying their logo and use your event as a tool to distribute them. You may want to ask yourself, "What is it worth?" What would they be willing to pay for the right to hand out fans along the parade route? Everything about your event and the audience it brings is marketable. Don't be afraid to sell the right to be associated with the product that you have worked so hard to build.

Note: In most instances you may want to consider reserving the right to hand out or distribute promotional materials exclusively for your sponsors.

3. Using In-kind to Build New Sponsorships

Sponsorships don't always have to be cash offerings. What other things are essential to your event? What kinds of

services will you be using? Is it something that has to be purchased, or could it be donated? Are there organizations or businesses in your community that have the resources and the know-how to fill some or all of these needs?

Scenario: The board of directors has added a new event to your week-long festival. It will be a midnight mud volleyball tournament, kicking off the week's activities. Because it is a brand-new event, you have no sponsor backing & no additional funding. You have the venue secured but basically nothing else. Team entry fees will only be enough to cover the cost of t-shirts & prizes.

First, consider everything you will need for the event. Next, identify companies in your area that could provide the necessary support. Research those companies. What is their business strategy? What is their mission? Are they active in any other community events or partnerships? Then, based on your research, make a list of what assets you could offer that would be valued by that company? Use all this data to construct a customized sponsorship proposal.

Proposal example: They commit to provide topsoil, equipment and labor to build and tear down the mud volleyball pit in your venue. They also lend the use of their generators, light towers and barricades the evening of the tournament. In return for their contribution they are designated the title sponsor of the tournament and receive premium expo space during the seven day festival. Their logo is included in the design of the mud volleyball t-shirts and incorporated in all ads and promotions associated with the event. Banners and flags presenting their title sponsorship of the tournament are positioned prominently throughout the festival grounds.

(This is a condensed example; obviously a custom sponsorship would include much more detail.)

Note: Being consistent and fair when structuring sponsorships is crucial. Do the research and know the market value of what you are asking a sponsor to contribute. Build a sponsorship package that is comparable to one you would shape for a cash sponsor at a similar level.

4. Using In-kind to Trim Your Expenses

Not all companies are prepared to offer their goods or services at no cost. Nor are they interested in a sponsorship. Although you may be asking them to donate something they already possess, or a service they routinely deliver, ultimately it will cost them something. On the other hand, most companies do have the ability

to offer markdowns. Before you pay full price for something, shop around. Which companies are willing to offer discounts? Are there universities or trade schools in the area that offer the same services at reduced rates? What are you prepared to do for them in return? How can you trim the cost on some of the things you frequently spend money on?

Scenario: Your arts festival budget has been reduced. You only have a small portion of what you normally spend to hire photographers. Yet capturing the splendor and dynamic visual images of this event is essential for future marketing & promotions. You don't have the skills, equipment or time to take the photos yourself.

Be creative, how can you get the same results on a smaller budget? There may be someone that is eager to get their name out there, and willing to offer their services at a discounted rate in return for a marketing opportunity. Think of useful assets you can offer in-trade, without costing you much. A photographer might be interested in an ad in your program or a booth space at the festival. You don't have to offer them a full sponsorship, just be aware of the fair value of their services when offering your resources in trade. Or, what about offering the budget money you have, as a cash prize in a photography contest? Amateur photographers could be invited to photograph the event and submit their best works. In the end, you own the rights to countless photos, someone wins a cash award and you save money! The potential savings are unlimited when you are imaginative and resourceful.

Note: Be sure to record any discounts on goods or services as an in-kind donation. Although it is only a reduction in cost, it should still be shown as an asset to your budget because it is money you did not have to spend.

5. Using In-kind to Benefit Your Community

Events not only entertain and amuse, they also create a platform for local community groups and nonprofit organizations to gain awareness or increase fundraising. How can your event be used to give back to the neighboring communities that support it? Take a look around, what community groups are trying to raise money? What programs are in need of funding? Who needs to be heard? Your event offers the stage and the setting for many local organizations to gain from its worth.

Scenario: A local high school theatre group is trying to raise money for new costumes. They would like to rent a vendor space and

plan to charge reasonable fees for children's activities such as duck pond, ring toss and face painting. They are not certain if the money they earn will cover the cost of the booth and still give them enough funds to buy the costumes they need. But they are young and hopeful.

You could rent them the booth space and wish them luck. Or, you might consider what talents they possess that would be beneficial to your event. A young energetic theatre group might make the perfect stage crew, something that you normally pay expensive laborers for. Paying the theater group to fill this need saves you money, while offering them peace of mind, knowing exactly how much they will be earning for their labors. You might also suggest they perform throughout the day (in-between stage sets) as wandering entertainers, showcasing bits and pieces of their upcoming musical. They would earn additional money in tips while they spawn community interest in their upcoming show. Bonus, you just saved money on your entertainment budget! It is a win-win situation when community groups can boost awareness or funding of their programs, while providing in-kind services or volunteer hours that are beneficial to your event.

Note: Get it in writing. A verbal agreement is not enough. Any type of arrangement between you and another party should be treated like any other contract for services. Both parties will feel comfortable knowing what is expected.

These are just five brief scenarios that illustrate how in-kind contributions of goods or services can serve as a powerful tool in increasing the quality of your event while decreasing the impact on your budget. The possibilities are endless as to how much your event can gain from taking a fresh look at the power of in-kind.

Christy McBride has served eight years as the Special Events Coordinator for South Ogden City, UT. She is one of the original founders of the South Ogden Business Alliance and serves as a board member of the Weber Arts Council. She loves living, working and playing in the beautiful Ogden area with her amazing husband Mike and their four awesome kids, Skye, Jake, Wynter & Rachel. She can be reached at 3950 Adams Ave. South Ogden, UT 84403 or call 1-8001-622-2705 or email: cmcbride@southogdencity.com