

SPECIAL
REPORT

*Winning
Together*

*How Charities Get, Grow
and Keep Great Sponsors*

Janet Gadeski, Editor

Hilborn:

The
Sponsorship
REPORT

 **PARTNERSHIPGROUP**
Sponsorship Specialists
www.partnershipgroup.ca

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Wooing, winning and working with sponsors

Sports teams flaunt them. Nonprofits court them. Charity mega-events spotlight them – think of the *CIBC Run for the Cure*. Even municipal governments woo them. No matter where you go, it's almost impossible to ignore the presence of sponsors.

When one business sponsors another, generosity is not part of the discussion. Rather, both parties focus on business objectives. For example, a home renovation chain gets its brand and products in front of sports fans and the sports team charges a fee for that brand-building opportunity.

Where philanthropy fits in

It's been different in the charity world. There was a time when a company's philanthropy followed the inclinations of its owner or CEO. Philanthropy is still possible in the corporate world – but it's more and more focused on outcomes. The donations officer or committee (not the CEO) wants to know whether the charity is achieving its objectives, whether gifts and grants benefit the communities and people among whom the company does business, and which causes are relevant to its customers.

When gifts from businesses support a concrete program or event, the charity often describes the gift as a “sponsorship” and gives the business signage, tickets and ad space. But it's only been in the last decade that sponsors have begun demanding the same sound business reasons for sponsorship that sports teams usually provide.

Seek partnership of equals

That can be a little intimidating. Often a charity's success is qualitative, harder to measure. Its cause may not be popular: consider the (sometimes misguided) sympathy quotient for starving babies or fuzzy-faced animals on the one hand, and street-hardened teenage offenders or mental health services on the other. And most charities in Canada are small or mid-sized, unable to offer the huge media draw of the *CIBC Run for the Cure*.

But that doesn't mean you're out of the game. Small, local charities can take the principles of sponsorship and scale them to approach small, local businesses of equivalent size. If your cause appeals to a narrow segment, you own the advantage of passionate constituent loyalty (you wouldn't survive otherwise). You can explore sponsorship with a niche business looking for long-term customer relationships, rather than one focused on quick transactions with a general audience.

Getting your charity into the sponsorship game

There are opportunities to learn about this business-focused approach to sponsorship even if your budget won't cover working with a consultant who specializes in the subject. For example, two October events: [*Strategic Sponsorship Marketing – The Canadian Summit*](#) in Toronto and the [*Western Sponsorship Congress*](#) in Calgary regularly offer a number of bursaries so that participants from cash-strapped charities don't have to find the registration fee.

Mark Sabourin of [*The Sponsorship Report*](#) and **Brent Barootes** of [*Partnership Group – Sponsorship Specialists*](#) are the producers of the two conferences I've just mentioned. They believe in the potential of sponsorship for charities of all sizes – so much so that they're partners in *Winning Together's* goal of bringing you all the information you need to start or grow your sponsorship program.

Read on – and start visioning.

Janet Gadeski
President, *Hilborn*
Editor, *Canadian Fundraising & Philanthropy*,
Hilborn eNEWS

“ Sponsorship leverages passion. It’s about emotion, not impressions. Just because you can’t lay claim to bucketsful of eyeballs doesn’t mean that you are inherently unattractive to corporate sponsors.

One asset that charities large and small can offer, and that other properties are hard-pressed to match, is the opportunity for employee engagement. Don’t discount this, particularly in a period of economic growth. When the economy is strong, employers are willing to go to great lengths to retain a skilled workforce, and study after study has shown that a positive impression of an employer will help keep employees from looking elsewhere for career change.

If you are making a meaningful difference in the lives of others, offer a prospective sponsor an opportunity to extend that to its workforce. Yes, let them fundraise and provide logistical support to your events, but if you can, offer opportunities beyond that. Let them meet and interact with the people whose lives you touch. Let them understand that through their efforts, and those of their employer, lives are being changed.

Look for a champion. Look among your strong supporters for leaders in their respective fields, and urge them to champion your cause among their friends and professional colleagues. There is no shortage of good causes for a corporation to support. They all have good stories to tell and similar assets to offer. Quite often, the tipping point happens when one captain of industry receives a call from another.

Mark Sabourin
Editor, The Sponsorship Report

The essential resource for sponsorship professionals

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The Sponsorship Report
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Breaking out of the logo graveyard

As she looks back on the sponsorship endeavours of the [Youth Emergency Shelter Society](#) in Edmonton, executive director **Deb Cautley** says, “Every event was a logo graveyard!”

YESS serves youth 16 to 18, providing emergency shelter, longer-term accommodation, skills development and educational programs. Compared to charities with high profiles and glitzy donor walls, it once felt it had little to offer sponsors.

“We were doing the same old, same old gold, silver and bronze levels. We didn’t even know what else we had to sell,” Cautley recalls. But after reworking their sponsorship tactics with **Brent Barootes** of Calgary’s **Partnership Group – Sponsorship Specialists**, they’re winning compliments from sponsors and prospects with sophisticated proposals aimed at their potential backers’ business needs.

The “opportunities team”

YESS had a culture of philanthropy even before Barootes became involved. The agency doesn’t have fundraisers or development staff – it has an “opportunities team.” Sponsorship lead staff **Sue Keating** and **Perpetuah Njihia** are Opportunities Manager and Opportunities Officer respectively (although Njihia has also been awarded the internal title of “Sponsorship Goddess”).

In Barootes’ plain language, YESS now has an “inventory of assets” to offer sponsors. The relationships might include volunteer opportunities that build corporate staff engagement; chances to present workshops to YESS staff and youth clients; prizes that include lunch prepared by a professional chef and a facilities tour; networking opportunities with other sponsors; and the chance to hire YESS graduates for entry-level positions.

The opportunities team helps sponsors to leverage their own relationships on the agency’s behalf. One sponsor boosted its **United Way** workplace campaign by promising to match all staff contributions with a corporate gift to YESS. Another, a bank, featured the charity in the promotion for a new series of GICs. Customers purchased enthusiastically and YESS earned \$104,000.

It’s the kids that count

The YESS team keeps the focus on their youthful clients throughout the relationship. Sponsor volunteers don’t just paint shelter bedrooms in return for a plaque on the wall – they also add inspirational quotes. “The kids realize that the whole community is behind them and cares about them,” Keating says.

It’s taken time to get there. Barootes began working with YESS in 2005. “We were held up by staff turnover,” Cautley explains. “You’d just get someone trained and they’d leave.

We've had different personalities with different styles, so we've progressed more slowly than we'd hoped – but smarter, I think.”

Sponsors helped even in recession

The recession delayed their efforts as well. But by then, YESS staff and their sponsors were in mutually supportive partnerships rather than the old “cash for tables” mode. When YESS leaders needed business planning advice to avoid program cuts, they turned to their sponsors to provide it. “Because we'd already cultivated them,” Keating notes, “they felt like we were stewarding our business wisely, not bringing bad news.”

Their sponsors' top recommendation? “You're selling yourselves too short. Ask for more.”

***Janet Gadeski
Hilborn***

“Small charities think they have nothing to sell. They think they aren’t “big enough” to get sponsorships. Many times they think they have no corporate contacts. I don’t believe that.

It is not all about big numbers of audiences or huge events. It is about reaching the right audience effectively.

For example, we worked with a small, volunteer-based organization with no paid staff that raised money for volunteer fire departments. They secured a deal for \$300,000 on a cold call.

*Here’s another. The **Airdrie Festival of Lights**, an annual Christmas lights festival, doubled their money by being innovative. They acquired 31 sponsors at \$1,000 each by creating enhanced packages.*

My own company operates a small conference with just 250 people attending. We generate over \$80,000 in cash sponsorships each year. Most of the small charities I hear saying that they don’t have big audiences deliver more people than I do – yet their entire year’s sponsorship revenue is less than we earn for two days.

Follow the proven format: know what you have to sell, do discovery sessions, then custom-build proposals that meet sponsors’ needs. You’ll be well prepared for the moment when your sponsorship prospect says, “Show me the money.”

Brent Barootes

President, [Partnership Group – Sponsorship Specialists](#)

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Sponsorship: big, healthy, and growing

The *2010 Canadian Sponsorship Landscape Study* holds some hopeful statistics for those looking to boost their sponsorship involvement. Here are some of the study's highlights, as noted at [Strategic Sponsorship Marketing – The Canadian Summit](#) and the [Western Sponsorship Congress](#).

Sponsorship revenues and activation increased by 2.6% between 2008 and 2009 to \$1.43 billion. That's an increase of 25% since the introductory study of 2006.

Sponsors are spending more on activation: in 2009, an average of \$0.76 for every dollar spent on sponsorship rights, compared to just \$0.41 in 2006.

In 2009, about 16% of marketing and communications dollars were spent in sponsorship. A decade earlier that number was less than 5%.

In spite of growing participation, 25% of respondents said they have no idea of their return on sponsorship investments.

Though sport still draws roughly 50% of the sponsorship dollars in Canada, festivals, fairs and events are becoming more important. Causes draw 15%, and festivals and events attract 13%.

Overall, properties are falling short on fulfillment and relationship building for sponsors and their brands. Arts organizations, especially museums, do it best, while the sports sector ranks as the worst at fulfillment.

In-kind value grew as a percentage of total sponsorship investment in 2009, which is to be expected in a recession year.

Each participating brand sponsored 18 properties on average.

Properties and brands that engage a sponsorship specialty consulting firm see a higher return on investment and run their sponsorships more effectively in terms of activation, evaluation and growth.

Sponsorship remains a fairly small portion of the budget for properties, contributing roughly 2.1% of total revenues.

The Sponsorship Landscape Study is conducted by Norm O'Reilly and Benoit Seguin, University of Ottawa Faculty of Health Sciences, and supported by Sponsorship Marketing Council of Canada (SMCC), The Canadian Sponsorship Forum, TrojanOne, and IMI.

The language of sponsorship – definitions

Sponsorship: A cash and/or in-kind fee paid to a property (typically in sports, arts, education, health, entertainment or causes) in return for the exploitable commercial potential associated with that property.

Philanthropic Gift: a cash and/or in-kind contribution given to a registered charity or nonprofit by an individual, company, foundation or organization without any expectation of anything in return (as defined by **Canada Revenue Agency**), or any recognition in return, or without receipt of any benefits that have a market value greater than 10% of the gift to a maximum of \$75.

Property: A physical or non-physical asset or organization that owns specified related rights and sells them to a buyer (sponsor) for the purposes of earning income for the organization. These properties are typically sports, member-based associations, municipalities or government agencies, arts, charities, events, entertainment, nonprofits or for-profit organizations.

Prospect: A company or organization that you have qualified to be a sponsor based on research and if the marriage will work

Sponsor (Sponsorship Buyer): The payer of a fee to the owner of a property for the purpose of gaining commercial rights related to the property.

Benefits/Assets: Those elements a property owns that are of worth to sponsors and can be sold to sponsors to achieve their goals and objectives – these are what make up the inventory.

Inventory: The complete catalogue of all physical and non-physical assets or benefits that may be made available to sponsorship buyers. The inventory (if fully delivered) should indicate all benefits and assets, their real market value, their fulfillment cost to deliver and the overall value of the inventory.

Bundling: The combining of several assets or benefits from the inventory to make a package or proposal for a sponsor. This is the most effective way to generate maximum dollars for a property and deliver best ROI for a sponsor, as opposed to selling à la carte or individual benefits in a one-off fashion.

Discovery or Exploratory Session: An initial meeting or meetings with a prospect to determine its needs, goals and objectives so the property can build a customized proposal to deliver on these needs and ultimately show a positive return on investment for the sponsor. This is the initial stage in the sponsorship development process once a prospect has been determined.

Proposal: The presentation that outlines the property, reflects the objectives of the sponsor and delivers the list of benefits the sponsor will receive to achieve these objectives in exchange for a specified investment in cash or in-kind.

Value: The real market worth of a sponsorship property asset or package. These values are calculated by industry-accepted standards and represent the individual value of each benefit or the bundled value of the proposal. It is not the same thing as price. The price or investment is usually 10-15% lower than the actual value of the proposal.

Return on Investment (ROI): How the sponsor or buyer determines if its investment in a specific property was good or not. It's traditionally measured against such metrics as brand loyalty, brand awareness, traffic, sales leads, actual sales, employee morale, community awareness or other elements. It is based on the original objectives of the sponsor's reason for investing.

Activation: The additional investment, above and beyond a rights fee or direct investment, made by a sponsor to a property that will further promote the sponsorship, drive additional business and leverage the investment to its fullest possible return on investment (ROI).

Fulfillment: The delivery of all promised benefits (and beyond) from the property to the sponsor.

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Shifting the landscape from donation to sponsorship marketing – Is sponsorship right for you?

“We need more money to develop the programs to support and succeed at our mandate.”
“We don’t have the budgets.” “We don’t have the resources.”

Sound familiar? These common statements are being made across the board in today’s nonprofit sector. As the donation universe seems to be shrinking, it is obvious that new and creative methods of generating revenue are necessary.

Why brands love sponsorship

Sponsorship marketing is known as the most creative of all marketing disciplines because if managed properly, it can be the catalyst to drive business and brand results across an entire organization. Some of you are already dipping your toe into the exciting playground of sponsorship, have some great best practice examples of success and want to continue growing, while some of you may be contemplating whether this is the right path for your organization to explore now.

How brands make it work

A sponsorship is a collection of benefits and entitlements that provide a brand with an opportunity to get a marketing result. The way they get that result is through leverage, or proactively doing things with the benefits to achieve specific objectives. Sponsorship is mutual and about nurturing relationships. It has both the emotional weight of people caring about what is being sponsored, and the critical mass to be a catalyst for other marketing activities.

What can you offer?

The evaluation process for an organization to undertake is an important first step on the journey from donation to sponsorship marketing. Not all organizations have the so-called “critical mass” to lead and implement a successful sponsorship strategy. You need to take an internal audit of your organization and determine whether or not you have the “marketing assets” or “inventory” required to develop an effective program. Or are you able and willing to develop new assets that could be included as part of a sponsorship offering? As a first step, you must fully understand what you have or don’t have to offer.

Can you embrace change?

While evaluating your potential offering or attempting to grow your current sponsorship portfolio, it is equally important to ask your organization if it is ready and willing to

embrace the organizational change mandate that is a critical success factor for any new and developing sponsorship program.

In the nonprofit world, activity that offers “commercial benefit” in exchange for revenue that supports public mandate accountability can be a philosophical conflict. Sponsorship best practices have organization-wide implications. They will impact your processes and people. They will require a shift in mindset towards collaboration to understand a sponsor’s business and direction. In some instances they will even require a significant culture shift that embraces the notion of *value* rather than *cause*. Can you align your organization’s values towards universal acceptance?

Finally, a successful sponsorship program of any shape or size requires the right internal infrastructure to manage it properly. Is there an executive leader willing to champion the change? Do you have the right level of expertise and talent inside your organization? Are your processes aligned to the new program in the right way to ensure execution can be flawless and collaborative? Because sponsorship requires the collaboration of many resources and internal functions, it demands a strong internal commitment to execution and a shared vision of what success means.

Shifting the landscape in your organization is a process of change over time. It will always fuel lively debate and important conversation. Don’t be afraid to push the boundaries and challenge your organization to ask, “Is it right for us?”

Jody LaRose

President, *Jody Larose Sponsorship & Marketing Alliances Inc.*



Strategy melds Sears, Boys and Girls Clubs

The partnership between [Sears Canada](#) and [Boys and Girls Clubs of Canada](#) may be the oldest corporate/charity partnership in Canada, according to Sears corporate affairs VP **Vince Power**. Its evolving strategic focus now reflects a widespread corporate sector emphasis on business interests over philanthropy in sponsorship decisions.

Power has nurtured the partnership for the past eight years. In 2000, he recalls, Sears was “more scattered in who we donated to, and we were trying to get some focus.” Regional staff asked for help: clear priorities to guide them in handling the multitude of requests and proposals that came across their desks.

Good for customers, good for staff, good for Sears

In response, Sears surveyed its customers on the issues that were important to them. A key concern that emerged was the period between the end of school and the time that parents came home from work. That resonated with Sears.

“Our customer is a mother with children,” Power notes. “So are many of our [sales] associates. And there weren’t a lot of players involved in the after-school sector. Focusing there allowed Sears to be noticeable, to stand out. We did have to discontinue a few relationships with other organizations. We didn’t withdraw crucial support from any, but we boosted our focus on after-school programming.”

BGCC CEO **Pam Jolliffe** concurs. “Their consumers are similar to the people we serve: families, family products,” she says of Sears. “They’re in all the locations we’re in. They care about being good neighbours and corporate citizens. We fit with them because we are helping young people to achieve their potential. That’s the focus of their philanthropic interest too.”

Much more than money

Both agree that the days of just issuing a cheque are over. Sears has found a number of ways to boost employee engagement through its partnerships with BGCC. Where possible, stores partner with a local club. Sales associates volunteer at the club. Stores run *Tree of Wishes* promotions to involve customers in making sure that the club’s children receive a Christmas gift of their choice.

Nationally, a Sears executive serves on the charity’s board. An annual company golf tournament supports national BGCC programs such as anti-bullying education and enriched after-school programs. Customers in Sears’ loyalty program can donate their Sears points to BGCC, to be matched by the company.

“I couldn’t be more appreciative of Sears,” Jolliffe enthuses. “They are a remarkable corporate partner.” And she makes sure that appreciation is evident in BGCC’s communications. She stays in touch with Sears senior executives through their representative on her

board. At the local level, clubs express appreciation both to the local stores that support them directly and for the national grants that enhance their programming.

She's noted growth in the expectations of all the corporations involved with BGCC, especially in the area of employee engagement. "There's lots of volunteering now," she says. "Our clubs are able to fill that need easily with activity days, holiday parties, and hands-on help with painting and repairs."

Finding the right partner

The same principles of holistic partnership apply no matter how small the charity and business partners may be. "Do your research," Power advises. "Try to find a company whose staff or customers or business reflects the people that you serve, because it's much easier to make a fit. Find someone who is playing or could play in the same arena that you do because it makes sense to their stakeholders: their staff, their customers, their shareholders or owners."

Speaking of shareholders, who are often portrayed as being solely interested in near-term profits, what do they think of Sears' partnership with BGCC? "Our shareholders support our work," Power affirms. "They're looking for a good corporate reputation, and that includes giving back."

***Janet Gadeski
Hilborn***

Throw out the gold, silver and bronze

The gold, silver and bronze cookie-cutter packages aren't working any more. That's the consensus of experienced professionals on both sides of the sponsorship equation. But is there still a place for corporate philanthropy in the long-standing relationship between businesses and charities? **Ross Marsh** believes there is, as long as everyone involved stays focused on the different needs and objectives of sponsorship and philanthropy.

Valuation, valuation, valuation

The biggest difference, he says, is the very meaning of the words. Canada's *Income Tax Act* stipulates that a gift is "without valuable consideration to the donor." But sponsorship is all about valuable consideration, Marsh told listeners at the [Western Sponsorship Congress](#) held in Calgary in October 2010. And charities that choose their sponsorship prospects carefully will be able to offer assets that fully match the value of the sponsorships they seek.

What's the difference?

When fundraising professionals are responsible for both sponsorship and philanthropic revenue streams, it can be a challenge to stay with the right playbook. Philanthropy, Marsh counsels, is driven by passion, the joy of giving, the need to make a difference or have an impact. Yes, there are benefits: recognition, relationships and identification with a cause or with certain people, but they're often hard to measure.

Sponsorship, on the other hand, is "not about warm and fuzzy," he states. Sponsors want to build increased brand loyalty, create awareness and visibility, change or reinforce their corporate image, and drive retail or dealer traffic. You'd better have data at hand to display your supporters' demographics, attendance, affinity and psychographics if you want to appeal to a prospective sponsor. Bring creative ideas about how sponsors can communicate with them too.

There's no doubt that individual giving will retain its importance. But on the corporate side, Marsh, a fundraiser with decades of experience, is convinced it's time to pay more attention to sponsorship. A 2008 study of North American corporate marketing activity by Chicago firm IEG found that 49% of corporations have shifted from philanthropy to sponsorship – and the trend is continuing.

Bringing them together

That doesn't mean neglecting traditional philanthropy, he cautions. Giving from individuals is still larger than all corporate giving and sponsorships, and it's growing at a faster rate. And many corporations still practise philanthropy.

However, corporate generosity is changing. It's more focused on your outcomes and impact; it's more strategic, with businesses reducing the number of beneficiaries but expanding their involvement with those remaining; and it's moving towards a hybrid model that combines sponsorship with philanthropy.

Keep both opportunities in mind

Your goal should be to tap both budgets when you approach a business: the marketing budget for a sponsorship proposal, the philanthropy budget for a gift. To succeed at that, you need to draw on a skill that good fundraisers already have – the gift of creating dialogue. Start conversations that focus on your prospect's business objectives and value proposition or unique selling point. Discovering those will help you draft a proposal that advances your prospect's goals.

It's worth the work. Businesses, says Marsh, are increasingly looking for long-term commitments and relationships. That can mean multi-year funding for your work. He calls the combination of sponsorship and philanthropy "a one-two punch" that broadens opportunities and results in more money for your mission.

***Janet Gadeski
Hilborn***

Sponsorship: going beyond the usual

If you do not expect the unexpected, you will not find it. (Heraclitus)

As many charities know, a strong relationship with a corporate partner can result in a wide range of positive benefits. Whether it is an ongoing philanthropic contribution to a cause or a yearly sponsorship of an event, a corporate partner who keeps coming back to the table is invaluable.

Too often, however, we fall into a trap. Charities and their corporate supporters drift into classic roles of donor and recipient without really exploring the possibilities of the relationship. The corporation provides dollars; the charity prints logos on banners. But what if there are more creative, more powerful opportunities for both charities and corporations lying just beyond the realm of the expected?

I believe that to benefit fully from a partnership, we always need to go back to first principles and wholly understand the potential of each individual partnership we enter. We need to look at the relationship from all the angles and be open to unexpected possibilities.

How can you put this into practice? Based on my own experiences at the [Royal BC Museum](#), you should focus on three key areas.

Know yourself

Your first step is to review and understand the programs in which your organization is currently engaged. This process can take different forms – an operational analysis or strategic review, or perhaps an “asset inventory” of sponsorship possibilities. Whatever methods you adopt, consider both what you are doing and what you could do if you had the extra resources.

Now think about the impact that you have on the public, the points of engagement that your organization has within your community. Do you have allies that can allow you to punch above your weight – organizations that can help broaden the public awareness of your work even farther?

Choose your partners carefully

Given your organization, now envision your perfect partner. How would they fit into your mission or mandate? What needs would be met by partnering with them?

With this “perfect partner” in mind, start looking around. Professional prospect researchers, online databases – there are many different strategies to tackling research. That said, the human network that surrounds your organization is often the best tool you have. Think creatively about who might have useful connections: board members, employees, previous donors, program participants/clients, vendors. Each of these groups can provide valuable links to potential partners.

Build a relationship

Once you've found a potential corporate partner, it's time to begin a conversation. Even before making a formal partnership proposal, coordinate meetings between staff to discover opportunities and build trust. Eventually, when the time comes to create a written agreement, balance the need for managing expectations while allowing some flexibility to encourage innovation during the length of the partnership.

Our relationship with **BC Hydro** is a good example of that need for flexibility. Initially focused simply on improving the Royal BC Museum's energy efficiency, the partnership eventually expanded to include the co-creation of a travelling exhibition, educational lectures and support for our summer youth camps.

Finally, be open to blending sponsorship with philanthropy within one agreement. Our partnership with **London Drugs** illustrates this point. What started as essentially a marketing arrangement has become a wonderfully supportive philanthropic partnership. The CEO of London Drugs even flew VIP guests from Vancouver to Victoria to support a fundraising event. Over time, our partnership with London Drugs has encompassed both donations and sponsorship fees, and the two approaches have worked well together.

There is no single path to success in forging a successful partnership with a corporate supporter. However, with the right preparation and a willingness to look for unexpected opportunities, many charities can benefit from a strong and long-lasting relationship with a corporate partner.

Sean Rodman

Sean Rodman is the Strategic Partnerships Manager for the [Royal BC Museum](#), where he has worked since 2008. Recent projects have ranged from hosting an international travelling exhibit from the British Museum to preserving one of the oldest historical buildings in British Columbia. Sean possesses over 15 years of experience working in the nonprofit world, including both small community museums and international educational organizations. He holds a master's degree in public administration from the University of Victoria. Contact him at SRodman@royalbcmuseum.bc.ca.

Discovering the sponsorship that's just right for both of you

Discovery: a word full of possibilities. New knowledge, new insights, even new horizons. They're all possible in the series of conversations known as "discovery sessions." That's when a charity (or "property" in sponsorship parlance) meets with a prospective partner to – yes – discover where their mutual interests lie.

Assumptions are your enemy here. The less you assume you know, the more questions you'll ask, and the more you'll uncover. Here are some of the areas you might want to ask about, and some of the wide-ranging answers shared during a panel discussion at the [Western Sponsorship Congress](#).

Panellists included **Ron Podbielski**, Executive Director, Corporate Affairs, **SaskEnergy**; **John Windwick**, VP, Community and Government Relations, **ATB Financial**; and **Kristi Gartner**, Marketing and Communications Lead, **geoLOGIC**.

Why do you sponsor?

Business development – including sales leads

Brand awareness

Access to core audience in a way that traditional advertising doesn't deliver

Winning the talent war for younger employees who place a high value on community involvement

Building corporate image in a cost-effective, relatively easy way

What other forms of marketing do you undertake and how do you (or not) integrate sponsorship into those tactics as well?

We tie our advertising at events we sponsor to the advertising that we do in print and online, and to our trade show exhibits.

We build in additional experiences. For example, we support a charity by sponsoring a calendar featuring the city's professional football team, which the charity then sells to multiply the value of our sponsorship.

We promote an internal network, "Generation E," for our employees under 30. Knowing how highly they value community involvement, we spread the message

of our sponsorships through that network. It strengthens the commitment of that demographic and even attracts new employees.

We talk about our sponsorships in our hiring discussions so good candidates know we're supporting the communities that give us business.

How do you measure success?

How do you know if a sponsorship investment is successful?

We measure attendance, monitor signage, read media clippings, and evaluate what worked and what didn't. To gauge customer impact, we test awareness of our sponsorships with consumer surveys through **Ipsos-Reid**.

We're interested in sales that result from sponsorships, so we focus on tracking contacts that we make at events. We also examine whether they're contacts we wouldn't have been able to make otherwise – leads that we wouldn't have uncovered from our other business development initiatives.

We measure different things, depending on our objectives for each sponsorship. We might track our customer attendance at the event, or have our internal research team track brand awareness and consumer memory of our involvement.

How do you feel about the traditional gold/silver/bronze packages presented by sponsorship properties?

If they're obviously cookie-cutter proposals, you reveal that you haven't done your homework on my company. They do give us an idea of what's available with you, but they also make it very easy to say no.

They make me feel like an automated bank machine! Discovery sessions are absolutely necessary.

I understand that they do it because they're short of time and staff. But the most I'll give in response to such a proposal is \$500. I drive awareness for my company by doing something different from other companies, and there's much more value for my company in a custom proposal.

Enough with the same stock proposals! Wow me! Be creative, be different from the usual pitch.

If you can't prepare a proper proposal and spend time with me, then I question whether you can deliver on the event or project.

If you could tell sponsorship properties to make one change in how they pitch you, what would that be?

Show that you're interested in the long term. To use a courtship metaphor, the first date is just for you to find out about my interests. The second date is where we explore common interests. On the third date, we can start talking about getting together. I want you to make me feel special, to understand who my company is.

Don't pitch me, period. Show you understand my business objectives and be open to my suggestions. Be prepared to go through several discovery sessions.

I can't say this enough – show that you understand my business needs. Research my company on the Internet. Use your network to meet staff in my company. Show up at events where my company's key people are speaking.

What makes you decide to meet with a property?

I can see something unique in your offering that will help build my brand.

I can see something beneficial to my company.

I want to hear that they have something different from what we've done before.

I want to hear, "I know you're involved with ABC. Do you think you'd be interested in DEF? I'd like to work with you to shape it."

What do you look for in a sponsorship proposal?

We have a matrix by which we evaluate proposals. It includes things like the depth of a project's community penetration, the number of people it affects, whether it builds our brand, creativity, exclusivity.

I ask myself whether people will miss us if we aren't there. I look for ways to engage with an audience that's relevant to my company.

With smaller sponsorships, I look at attendance, signage, media coverage, volunteer opportunities for our staff and whether our partners are there. Larger sponsorships must fit those criteria but also offer a unique way to shape perception among our customers.

Would you meet by phone or face to face with a sponsorship property that called to set up a discovery and agreed not to pitch you at that meeting?

Yes. Remember that you can ask as many tough questions as you want. It's our job to answer them. Good companies will either meet with you or turn you down right away.

Yes. I want you to ask questions, throw ideas out and show that you're open to my shaping them.

Yes! We have big hearts. We want you to succeed. I have to balance that against my company's business interests. If I sense that there's something there, I'll definitely take a meeting.

***Janet Gadeski
Hilborn***

Sponsorship professionals pay forward their conference insights

Last October, five Canadian charities received the [Pay it Forward Bursary](#), a partnership program between [The Sponsorship Report](#) and [Canadian Fundraising & Philanthropy](#) that allowed staff to attend [Strategic Sponsorship Marketing: The Canadian Summit](#) in Toronto. We recently followed up with the award winners to see the impact of the conference experience on their work. Here are some of their comments.

Patti Murphy, Senior Manager, Corporate Relations and Development, Ottawa Food Bank (OFB)

The challenge: There was no official sponsorship program at the food bank.

An “aha!” moment: When discussing branding at the conference, the question was asked “What’s the personality of your organization?” I realized that even though I’d been a donor for 20 years, I didn’t have a clear idea what OFB does in the community.

Key conference learning: My background is in the corporate sector. I’ve been struggling to see things from a nonprofit perspective – I thought I needed to have all the answers before I walked through the door.

On paying it forward: We’re “all about food,” but the conference allowed me to look at things (like the warehouse) in a different way. I’m reaching out to other staff members to partner and look at the potential of the whole organization.

Heather Simpson, Senior Resource Development Specialist, Wellspring Cancer Support Foundation

Key conference learning: The difference in the approach of grant writing (what your organization does) versus sponsorship (the marketing value of your cause).

Since the conference: We’ve spent time developing a sponsorship strategy – we’re very excited to be moving in a new direction.

Overall: A great conference with a lot of takeaways. I would recommend it to others.

Lynn Beavis, Director, Richmond Art Gallery

The challenge: I applied for the bursary at a time when BC funding for the arts was being cut. We needed to augment our ability to secure funds from other sources.

Key conference learning: A huge amount! I had a general idea but didn’t understand how to make requests more appealing to potential sponsors.

Next steps: We’ve just finished grant season and are moving into sponsorship. What we’ve done in the past was very passive. This year will be different.

Claire Holloway Wadhvani, Executive Director, CAP AIDS (Canada Africa Partnership on AIDS), with Athletes for Africa at the time of the bursary

The challenge: Athletes for Africa is events-based and we were not successful at obtaining sponsorship. In attending the conference, I hoped for specific pointers on improving our sponsorship program, a “how-to” toolkit.

Constructive feedback: Perhaps it was the sessions I was in, but they seemed to be speaking more to the corporate audience as opposed to a small nonprofit looking to engage in community partnerships. While there were take-aways from the presentations, it wasn't what I needed for my organization.

On Pay It Forward: I'm glad I went. The bursary gave me an opportunity to learn and try something that wouldn't normally have been in my budget.

On sponsorship: As more companies start to take corporate social responsibility (CSR) more seriously, it creates opportunities for nonprofits but can also be limiting. It is possible that as companies focus more on CSR, the more rigid their guidelines will become – in sponsorship, as with grants and foundations, nonprofits will be pitching to a program rather than a partnership. Although...it may make it easier for some of us, trying to fit our square selves into a round hole.

Hanan Chebib, Manager of Development, Missing Children Society of Canada

The challenge: Managing relationships during a time of significant organizational change.

Key conference learning: The fact that there was a mix of attendees, and that speakers were innovators in their own fields, allowed me to extract information that was beneficial for my organization. I liked that attendees were treated as capable human beings able to handle new concepts.

On paying it forward: For me it means being an open book – and sharing your expertise on something. At the conference, that's what I received.

Details of Pay It Forward 2011 will available soon.

*Lisa MacDonald
Hilborn*

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Partnership as an imaginative spark

Green energy supplier will engage institutional clients through Destination Imagination partnership.

AMERESCO CANADA IS ALREADY making inroads into the public school market. The company is a supplier of alternative energy solutions, clearly a flavour of the month among public institutions. But it's one thing to power a school, quite another to light up a child's imagination. That's where the new partnership with Destination Imagination comes in.

Destination Imagination is a US-based global organization that promotes thematic educational after-school challenges for students from primary school through university level. Students group themselves into teams and take on a challenge. The challenges are thinned out through a series of regional competitions that culminate in an annual Destination Imagination global finals at the University of Tennessee that draws 16,000 participants. The global finals fill the university's 28,000-seat basketball gym.

Before signing with Destination Imagination, Mario Iusi, President of Ameresco Canada, joined Rbger Garriock, Director of Destination Imagination Canada, at the 2010 global finals.

"I said, Mario, think of an iceberg. What you're seeing in this room is the tip in terms of participation in this program. If you want to get this message of energy conservation to every corner of the world, Destination Imagination has the capacity to do that in an incredibly positive and constructive way."

At that moment, Garriock was guilty of hyperbole, at least in terms of Destination Imagination's ability to carry Iusi's message to the Canadian market.

Destination Imagination has only a small footprint in Canada, but Garriock says that will change. The program is offered in all US states and in 28 countries, but until recently, it had more participants in Turkey than in Canada. Garriock is the former IBM executive, now retired in Vancouver, who has taken charge of promoting Destination Imagination in Canada. His passion for the organization is palpable, and he expects his efforts are about to yield significant results. By fall, Destination Imagination will have organizations established and running across the country, and those organizations are signing up schools now.

"New Brunswick did a pilot last fall," says Garriock.



globalfinals.org photo

The global finals fill the University of Tennessee's 28,000-seat basketball gym.

"New Brunswick is [now] hoping to have the program introduced into every school this month. In British Columbia, where the program is the strongest, Garriock expects it to grow from approximately 200 schools to some 700 by the end of October.

More schools will mean more opportunities for Ameresco Canada to challenge students, teachers and school leaders to think creatively about alternative energy solutions. Ameresco Canada's three-year partnership with Destination Imagination will allow it to craft science-based educational challenges related to alternative energy. The first custom Ameresco-sponsored Destination Imagination Challenge will debut during the 2011-12 season focussing on alternative energy. The 2012-2013 program will focus on solar, which is a growth area for Ameresco Canada in part because of generous government incentives, particularly in Ontario.

To participate in Destination Imagination's programs, schools or school boards must register with the organization, assemble student teams and designate team leaders. It's a model that requires engagement not only by the students, but also by the educational institution's leadership – the people who make or influence decisions about capital expenditures. Ameresco Canada sees a lot of potential in

CONTINUED ON PAGE 3 >

The Sponsorship Report
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What charities can learn from the world of sports marketing

The best feedback on your special event might come from a source you never expected: the bartender. “Customers all bitch to the bartender,” says marketing guru **Bernie Mullin** of **The Aspire Group**. “It’s an interesting way to get marketing research.”

Mullin’s experiences come from the world of professional sports management (and a youthful stint as a bartender). But what he learned while building the market appeal of the Atlanta Hawks, the National Basketball Association and the Pittsburgh Pirates, to name just a few, can boost your efforts to engage business sponsorships for your fundraising and marketing programs. Here are some of the insights he shared in October 2010 at [Strategic Sponsorship Marketing: The Canadian Summit®](#) in Toronto.

Take chances to prove a point

When Mullin took on the task of marketing the Pittsburgh Pirates, they stood last in their league, five players faced grand jury drug charges, and the team mascot had been fingered as the drug pusher. No business in the city would link its name and reputation with the team.

Mullin took a huge gamble. He approached the Giant Eagle supermarket chain, promising to improve the image of the Pirates throughout the year, and offering a sponsorship arrangement in which Giant Eagle would write a cheque at the end of the year for the value it thought it had received.

Soon his marketing tactics had boosted attendance and rehabilitated the team’s image. He calculated the value of the team’s media coverage and the exposure of its expanding fan base to Giant Eagle’s name and products. At the end of the year, he proved that he had created \$2 million in marketing value for Giant Eagle.

The supermarket executive agreed with his valuation. “But I only allowed \$250,000 for this sponsorship,” he said, “because I thought that’s all you could do.” Next year, though, Giant Eagle committed to sponsorship of \$1 million, and in subsequent years boosted its payments to \$4 million.

What made the difference? Building a sponsorship experience centred on the fans, says Mullin. In the charity world, this means finding ways to give your sponsor repeated opportunities to communicate with, meet and influence your supporters and suppliers, and to engage its employees with your work.

Make the most of feedback

Listening to the bartender is just one unconventional tactic Mullin’s employed over the years. Taking constituent complaints seriously is another. “It was my daily dose of reality,” Mullin says of calls, letters and emails from disgruntled ticket holders. When those criti-

cisms point to something that, if improved, could make the experience better for everyone, then it's time to act.

Mullin continued his attention to customer complaints during his tenure as board chair of the Pittsburgh YMCA. He removed the old suggestion boxes from the locker rooms, replacing them with recording systems. For the first time, YMCA staff heard the passion that wasn't coming through in written complaints – the frustration born of disappointment in an institution they valued.

At other organizations, Mullin saved the videotapes of customer focus groups and played them for senior executives rather than simply summarizing the feedback in a written report. Put simply, it's all about creating the best possible experience for your supporters. The tactics that improve your organization will improve your chances for sponsorship as well.

***Janet Gadeski
Hilborn***

Tips on cause marketing

In its simplest form, cause marketing is an alliance between a corporation and a non-profit. The company creates a product that is somehow tied to the cause, and the charity receives a small portion of the purchase proceeds. You may be most familiar with national examples like the pink products that support breast cancer charities, but all the principles and tactics can be scaled down to work for local charities and local businesses.

If you're thinking about a cause marketing initiative, here are some tips that **Jules Diamond** of **IMI International** shared with delegates at the 2010 [Strategic Sponsorship Marketing – The Canadian Summit](#) in Toronto.

Don't underestimate the reach of cause marketing. As a charity, you may be focused on pure philanthropy, but 73% of Canadians have bought a product that included a charitable donation, compared to the 72% who reported making a direct charitable gift.

An alliance with a business or corporate brand can highlight your brand or cause – on the company's budget.

Celebrity endorsements won't motivate giving, but they do raise awareness.

If one of your cause objectives is behaviour change (a healthier lifestyle or a letter-writing campaign, for example), find a way for people to participate after they've bought the product. Include a web-based contest or advocacy page on the product's label to engage people in the next step.

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Getting your prospects to spill their secrets

Something everyone in the sponsorship game needs to know is this: *Companies* do not care about your cause, but *people* at those companies potentially will care. You cannot “sell” to a company “because it’s a good idea” for them to be involved with you. You have to sell them based on measurable ROI and WIIFM (ROI – Return on Investment, WIIFM – What’s in it for me).

The only way that will happen is by building a relationship with the people within the company you are prospecting. Nonprofits more often than not forget they are businesses with valuable assets to sell. Your development staff is your sales force.

But companies are not going to just throw money at you. You have to develop a relationship, build trust and show them your goal is to contribute to their bottom line.

Getting to know your prospects

Here’s the big paradigm switch – this is not about you! It is all about them. You have to get the prospects to tell you all about what they want, what they need to be successful – not just the obvious, but the deep-down issues they are facing.

That happens in a discovery session. A discovery session is completely different than a typical sponsorship pitch. It’s where we ask questions and actively listen rather than talk. We are all very good at, and passionate about, telling people what we do and why we do it, and how amazing our causes/properties are. We would not do what we do if we did not feel this way! But that’s not the point of a discovery session.

Start relationship with gift of attention

Sponsorship is about relationships, partnerships and how both partners can benefit. Relationship development and management are the objectives. Trust and mutual understanding are key factors in any relationship. This is no different. Your prospect will know that at some point you will ask for money (or something), but they have to know this is not that time.

The discovery is where you learn about the prospect. You want to coax and enquire and savour every word the prospect is saying, because that will be the basis for your proposal – one they won’t be able to refuse because it addresses the very wants and needs they have fed you from this meeting (or subsequent meetings)! *It is about what they need... not what you have to sell and not what you need money for.*

You must have this meeting or these meetings to ensure success. You may need to book multiple meetings over several months, as closing a sponsorship deal in Canada takes about 18 months on average.

What to find out

A discovery session looks to answer three fundamental questions:

What are the prospect's needs?

What areas do they need to fix or grow?

How can you fill the holes they have?

To answer these questions, you need to develop a long list of well-thought out questions of your own, based on research into the company. I've shared my own list in the next article.

You may think you know the answers to most of the questions already, but some will surprise you. If you connect with the prospect, you'll be amazed what they will tell you. And even more exciting, they will be stunned that your goal is to promote their interests. They will feel like they just gained a marketing manager, and will be amazed that you are there to "help" them and not "pitch" them. That establishes the start of a trusting business relationship versus a supplier service agreement.

I am not guaranteeing you will close every sponsorship deal using this method, but your success ratio will increase. Do the hard work in advance, know what you have to sell, know whom you want to sell to, do the research into your prospects and your professionalism will shine. Good luck!

I have been fortunate to work with some very talented people in this field, and want to acknowledge Randy Sageman, The Partnership Group, and Alison Hagan of the MS Society. Thank you all for your guidance and mentorship.

Shelly Smith-Hines
Industry Professional

Getting your prospects to spill their secrets, Part 2: Questions you might ask at a discovery session

How long have you worked at ABC Company? What is your role?

What region or area do you cover?

ABC Company has invested in a number of sponsorship initiatives, including 123 Walk, XYZ Event, and 987 SportsPlex. What role does your region play in these types of sponsorship? What do you like about these sponsorships? What works well? What doesn't work well? What would you change?

If you were to build a sponsorship from the ground up, what would you do?

My contact, Joe Smith indicated that your main goal is to increase ABC Company's reputation as a responsible corporate citizen. What types of things do you do to make this happen?

Who is your client base in your region? Who would you like to target? Are you trying to generate new business from individuals, other businesses, both? How do you presently do this?

How do you differentiate yourself from your competitors? Why would a business/person do business with you as opposed to your competitor?

In what types of activities do you try to engage your staff?

What objectives do you set for your sponsorships? Do you want to generate leads, engage staff, bolster public image, generate leads, build brand, feel good about the cause?

How do you presently advertise or market yourself? Radio, TV, direct mail, Internet? How successful is it, and how do you measure that?

What are your goals and objectives? Recruitment, leads, sales, brand/image, community investment, investor relations?

"Where do you hurt?" – (That's what you really want to know, but you may want to use language such as "What areas in your business in this region need focus or

can grow, where do you need to improve or grow, is it growing new accounts, staff retention, staff recruitment, corporate community identity?")

What type of budget do you have for sponsorship? What is a typical sponsorship investment? (Watch this too – you may need to finesse this question.)

How much is your overall marketing budget?

How long have you worked at ABC Company? What is your role?

Joe Smith had indicated there could be a budget nationally you could tap into. Might that be available for the right project?

How do you generate new business?

How do you retain staff?

How do you keep existing customers?

What role does sponsorship play for you: marketing tool, community support, donation?

When do you prepare your budget, and what is your fiscal year?

Who is the decision-maker?

What is the decision process?

When is the timeline to get back to them?

Can I follow up if I need further information?

Would you like to come out to our bike tour/walk?

This is a partnership that we both could benefit from. Can we add you to our mailing list?

Would you be willing to look at a proposal?

If I prepared a proposal based on our discussions, would I be correct in building something specific for you in the \$25,000 to \$50,000 range? Or two options? Or similar to what ABC Company did elsewhere with one of our events?

If I put this together, can we set a date for our next meeting, and I will email the draft proposal to you prior to the date we set? (Set a firm date. You know how hard it was to get the first meeting! Give yourself at least a month if possible. You may need to clarify details from this meeting. Check your calendar to see what works for you and have two or three possible dates ready.)

***Shelly Smith-Hines
Industry Professional***

Shelly Smith-Hines has been an industry professional for 15 years. She has bought and sold sponsorships in both the for-profit and nonprofit sectors and has developed programs from the ground up. In her most recent role as Director of Development with the [MS Society of Canada – Manitoba Division](#), she oversaw all fundraising within the province and played a role in the prospecting and acquisition of potential national sponsorships.

Previously, Shelly worked for five years with [The Children’s Hospital Foundation of Manitoba](#), where she expanded community investment and sponsorship programs for flagship events. [Contact Shelly](#) for more information.

Sponsorship lessons for everyone come through in Five Minute Pitch™

Picture a sponsorship faceoff, *Dragon's Den* style. On one side, five eager presenters seeking corporate dollars for great projects. On the other, five corporate sponsorship officers, each with a mock budget of \$100,000 and instructions to ignore any geographic limitations they'd normally apply.

Hungry and hopeful, the five contestants had already reviewed the companies' sponsorship guidelines, searched out their marketing and sponsorship objectives, and interviewed the officers. Before a live audience at the [2010 Western Sponsorship Congress](#), they delivered their *Five Minute Pitch* to the to the panellists holding the imaginary money.

Sean Rodman of Victoria's [Royal BC Museum](#) opened with a touring exhibit touting Canadian artist **Emily Carr** as a feminist leader who challenged her era's notions of appropriate female behaviour as well as worthy art.

The [MS Society of Canada](#) (Manitoba division) fielded **Shelly Smith-Hines** offering involvement in the *2011 MS Walk* to be held in communities throughout Manitoba.

Seamus O'Keefe pitched on behalf of [Play On!](#), a national street hockey tournament affiliated with **Hockey Night in Canada**.

Marc Carnes of the [Edmonton Symphony Orchestra](#) offered ties to a three-year series of family concerts in locations throughout Alberta.

Gary Dewar from the [City of Edmonton](#) proposed naming rights for a new recreational complex, or for Heritage Day, an annual day of free admission for city-owned historic attractions.

Lesson #1 – It's not always about sales

To gasps and applause, **Dale Hooper** of [PepsiCo Beverages Canada](#) turned to the first presenter and announced, "Sean, I'm giving you all my money!" Hooper pounced on the project's great fit with PepsiCo's systematic efforts to retain and grow female managerial talent.

He even offered Rodman more money than he'd requested for four locations, as long as PepsiCo could incorporate a speaker on leadership with a visit to the exhibit for its women's staff networks at each stop.

Hooper complimented all the presenters on their use of social media networks, their unique customized proposals, and the fact that they had reached out to him in advance for specific discussions of PepsiCo's goals for its sponsorships.

Lesson #2: More of the same doesn't necessarily fit

John Windwick of [ATB Financial](#), a full-service financial institution with 165 branches in Alberta, found things to like in a number of pitches: the community involvement of the MS Walk, the uniqueness of the Edmonton Symphony's project and the opportunity to promote ATM cards through Edmonton's Heritage Day project.

He offered Smith-Hines more than she'd requested in return for a deeper involvement, and split his remaining budget between selected locations in the Edmonton Symphony's family concert series and the City of Edmonton's Heritage Day.

While some companies focus on a particular sector or type of event; others, including ATB Financial, prefer to diversify. Windwick ruled out the Royal BC Museum because the company already sponsors the [Art Gallery of Alberta](#)'s young artists' competition, and turned down the street hockey tournament because ATB sponsors minor hockey teams.

Lesson #3: Sponsors' ideas may be better than yours

Chris Pollen of [Homes by Avi](#) favoured the proposals from Edmonton contenders. How could he resist naming rights on a new City of Edmonton recreational complex located near an Avi development? He couldn't, and immediately spent two-thirds of his budget.

Pollen noted that his company was not yet involved in the arts in Edmonton. The symphony's concert series included a three-year commitment. Pollen countered with a smaller offer for a one-year trial, with renewal if the project met the company's objectives.

To the MS Society, Pollen offered an entirely different idea: scholarships within the building trades, with the winning students helping to build an Avi home. The MS Society could then raffle the home.

Lesson #4: Back to the drawing board is still a win

If **Lucy Railton** of [Konica Minolta Business Solutions](#) could tell sponsorship seekers one thing, it would be this: Companies that sell products to other businesses want hospitality opportunities for potential clients, not a chance to impress the wide world.

The Edmonton Symphony's focus on family concerts didn't meet her business-to-business networking requirements. She ruled out both of the City of Edmonton's proposals for the same reason. And like ATB Financial, her company prefers a widespread portfolio of projects. That eliminated the MS Society – Konica Minolta already participates in the health sector through breast cancer events where it showcases its digital mammography technology to potential buyers.

But she saw potential in the Royal BC Museum and Play On! While she ruled out their initial proposals because they didn't provide chances to meet potential clients, she asked them both to try again – the museum with a proposal for private corporate events during the tour, and Play On! with a sponsorship centred on the Corporate Challenge portion of the event.

Lesson #5: Sponsor staff engagement can lead to a winning proposal

All the pitchers who won a share of **Chrystal Robert's** mock budget had one thing in common: they provided or had potential for significant volunteer involvement by staff. That matters to [Manitoba Lotteries Corporation](#), where leaders believe that the high morale from hands-on community involvement strengthens the company's recruitment and retention.

She noted the lack of volunteerism in the Royal BC Museum proposal, but liked it enough to offer some money if volunteer opportunities were added. To the MS Society she proposed a one-year trial budget provided they could work together to grow the scope of the event. She allocated the rest of her money to the City of Edmonton's free Heritage Day, again requiring the city to create a heavy volunteer component.

Networking, being prepared and the long tail of relationship building

In the TV version of *Dragon's Den* there are clear winners and losers, but all participants in this exercise felt richer for the experience. Only one participant, Seamus O'Keefe, left the Five Minute Pitch with no mock sponsorship dollars in his pocket. Undeterred, O'Keefe has continued his real world pursuit of sponsors and credits the experience with helping him to "tighten his pitch" while successfully growing his network.

Sean Rodman and Shelly Smith-Hines both agree with O'Keefe's assessment of the networking opportunity that resulted from being part of the pitch panel. "It certainly raised our exposure," says Rodman. "I made some contacts that I'm still sustaining."

For Smith-Hines, the publicity for her organization was a bonus but she experienced a more personal benefit. "I think it gave me greater confidence. I was well prepared and knew my inventories and properties of what I was looking to sell. The feedback from the panel and the audience was great."

"Being prepared" was another critical success factor identified by all participants. For Gary Dewar, the experience reconfirmed what previous efforts had taught him, "... that you need to have a clear understanding of a sponsor's needs and wants. Success is more likely when you do your homework."

So can a practical exercise like the Five Minute Pitch result in real-world sponsorships? Without a doubt, the answer is yes. All participants report ongoing contact with conference attendees that may result in a future sponsorship deals. But, as Sean Rodman puts it, "you have to take a long view of it. The time to close a deal from initial contact can be 18 months to two years. Making the contacts was important."

Feeling the heat

While all participants praised the exercise for its learning value in a low-risk environment, all five paid their dues in sweat. “There was something about doing the pitch in front of 200 people that makes you aware of your words and hitting the nail on the head,” says Marc Carnes. “When it was done I was relieved. I took a slightly different tack than the other people pitching and felt a little like the odd man out. You’re definitely in the hot seat.”

By all reports, The Five Minute Pitch is fast becoming the highlight of the [Western Sponsorship Congress](#). It’s not too late to put yourself in the hot seat for 2011 and experience all the challenges and rewards that this sponsorship faceoff has to offer!

***Janet Gadeski, Lisa MacDonald
Hilborn***



The Partnership Group – Sponsorship Specialists™ is a dynamic company that for over a decade has been providing services to develop and support innovative sponsorship programs for corporate sponsors, brands and for sponsor properties such as not-for-profits, municipalities, sports organizations (professional and amateur), government agencies, charities, events, member associations, tournaments and conferences. The company is highly specialized and is seen as a leader in this rapidly growing sector. Their mission is to provide their clients with a unique sponsorship proposition that is tailored to meet their particular needs that will produce results that deliver a measurable return on investment. With staff and regional offices based from Newfoundland to British Columbia they are ready to serve their clients coast to coast.

On the sponsorship property side of the business, **the Partnership Group – Sponsorship Specialists™** works with clients to:

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- valuation of the assets, stock proposal development and internal capacity development for properties through mentoring
- coaching of staff in areas of prospect development, discovery sessions, negotiation, closing, activation and fulfillment of sponsorship agreements.

To assist brands and sponsors **the Partnership Group – Sponsorship Specialists™** provides a cross section of services from customized sponsorship investment models and selection process criteria to sponsor specific ROI and ROO measurement metrics. In addition the firm delivers proposal / agreement real market valuation for clients while also providing consulting and mentoring services to build internal capacity in areas of activation, negotiation and sponsorship investment management. Clients include EnCana, Saskatchewan Credits Unions – SaskCentral, geoLOGIC Systems and others.

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Add value for your sponsors – connect them at sponsor summits

In one month last year, I was engaged to speak at two sponsorship summits. Each was amazing. Each was also different, but remarkable in its own way. I am excited to see more and more properties host summits for their sponsors. These important events bring sponsors together to learn, network and develop better ROI from their sponsorship investments.

What an effective sponsor summit offers

Both host properties (Grant MacEwan University in Edmonton and Funtastic in Vernon, BC) focused on their sponsors instead of themselves. They understood that sponsors were there to learn how they could make better sponsorship investments in the future.

Both informed the sponsors from the start that the events were not solely about their investments with MacEwan or Funtastic, but their overall investment in sponsorship. They expressed the hope that sponsors would leave with knowledge they could apply to other sponsorships, not just these two.

It's not about my needs

At the Funtastic summit, sponsors approached the Funtastic team and said, “Is this really a smart move? You are educating us on how to be more effective and do better deals. We may ask you for more than we are getting now!”

Funtastic's organizer replied to each, “I would rather you understand sponsorship and make better overall investments to grow your business in this marketplace than just get your money.” That was definitely the right answer.

Make the venue work for your sponsors

Both properties held their summits off site. The Funtastic event was at the River City Casino in Vernon, which went above and beyond to ensure everything went smoothly. The food was simple, but extremely tasty and elegantly presented. The Casino marketing and operations staff attended to learn more about sponsorship.

A casual atmosphere prevailed at the MacEwan event. At the organizer's request, the River Cree Marriot and Conference Centre reconfigured both the meeting and lunch rooms into amazing spaces. The main summit room was decked out with casual chairs and couches for an inviting, laid-back atmosphere. The lunch room was decorated in an African safari motif.

Both rooms vividly illustrated how you can truly activate a hosting opportunity for sponsors beyond just a room. These were experiential rooms!

The MacEwan event integrated a presentation by a current sponsor who spoke about how and why her company invested in the sponsorship. She went on to describe their process to activate the sponsorship and ultimately how they measured success. It was helpful for other sponsors to hear how to make things work from the perspective of a peer sponsor.

Stand out with a worthwhile event

Both properties were successful in having sponsors leave with vastly increased knowledge. There was no golf game; there was no holiday season thank-you event with wine and cheese; there was not even a bunch of booze served to “thank their partners.” The focus was totally on helping current sponsors make better sponsorship investments.

The really neat thing is that both events were able to develop more than one enhanced sponsorship investment with those in attendance. Their goal was to educate and they did. They demonstrated how they were truly partners with their sponsors, and the sponsors reciprocated by saying, “You are the organization I want to do business with.”

Just think how many holiday receptions your sponsors attended (or were invited to) during November and December last year. Try to determine if they could even differentiate one from another. As a sponsor, try to remember how many you actually attended and left thinking, “I’m glad I went to that!” As a host organization, think, “Perhaps next year I need to differentiate myself and stop wasting the money on another reception or social event no one really wants to come to. Instead, I’ll host something they’ll ask me to do again next year.”

Think summit versus wine and cheese, another golf game or a social event.

Brent Barootes
The Partnership Group – Sponsorship Specialists

Mind the (skills) gap: a model for finding board members among your sponsors

A successful community engagement program combines the goals of the business and the passion of its people with the end goal of creating meaningful impact in the community. And while all companies *aspire* to make a long-lasting impact, many often find they don't have the strategies in place to make it happen.

Community programs today go far beyond giant cheques and event sponsorships. While financial resources are still a big part of charitable support, more and more nonprofits are seeking out other types of resources from the private sector.

Skills-based volunteering

Lately, I've been talking about a tool PricewaterhouseCoopers Canada created called the [Volunteer Continuum](#). It's a resource that spells out how individuals and businesses can develop their skills through corporate community programs, and use their knowledge to fill skills gaps in the nonprofit sector. It's a more strategic approach to volunteerism—a win-win situation for the volunteer and the nonprofit.

While a one-day volunteer experience is a great start, the Continuum recommends getting involved in a nonprofit board as an ongoing commitment. In essence, it's a way to contribute skills and expertise to support the future growth of the organization.

Recently, our foundation has been offering seminars on Not-for-Profit Board Basics to both internal employees and, by demand, to business and community partners in the nonprofit sector who are eager to learn about the role of the board and how to make it more sustainable.

Turning passion into reality

Many of our employees have taken skills-based volunteering to the next level. Some of them have even used their expertise to start their own nonprofit organizations, like Sandra Singer, a senior associate at PwC. Over the past five years, she's led team volunteer days, helped new Canadians develop interview skills, joined the Board of Directors of [Dress for Success](#), and has helped several charities successfully apply for PwC's Leadership Grants for professional development.

But Sandra didn't stop there. Her passion for independent films and music and her experience at PwC led her to co-found a new Canadian nonprofit called [Open Roof Films](#), a Toronto summer festival located entirely outdoors that promotes independent artists.

Sandra's knowledge of accounting and her experience within the nonprofit sector has helped her look at building financial capacity in new ways: how to value people, product, promotion and passion in a manner that helps redefine how a fundraising strategy comes together. She has helped the charity grow from a four to 12-week series in one year, and

has collaborated with businesses and thought leaders to cultivate a unique cultural experience.

The result: BlogTO named Open Roof Films one of the top 10 film stories of 2010. The organization has increased its financial capacity, developed new approaches to soliciting sponsorships and engaged hundreds of excited people, businesses and community partners.

This is the kind of passion that we see across our teams at PwC and what helps drive the continued development of the [PricewaterhouseCoopers Canada Foundation](#) and the distinctive role we're playing to help build and empower community leadership.

James Temple
PricewaterhouseCoopers Canada Foundation

The tax aspects of corporate sponsorships

When charities and not-for-profits stage high-profile events, they often view corporate sponsorships as an ideal avenue to help defray the costs and raise funds. Such sponsorships often can be lucrative for the organization and useful for the corporate sponsor.

But without a good understanding of the tax aspects of sponsorship, it is impossible to measure the true value of the sponsorship. This understanding is complicated by the interaction of several different tax concepts.

The key to evaluating a sponsorship is to understand the business value returned to the donor. As this value is generally created by advertising, it presupposes that the sponsorship is acknowledged in a way that goes beyond simple recognition of a gift, and the “donor” actually receives marketing value for the gift.

Advertising vs. recognition

Sometimes it can be difficult to draw the line between advertising and the recognition that comes with naming a building or other item after a sponsor. While each situation should be examined on its own merits, generally the existence of any type of economic benefit to the sponsor should alert the charity to potential tax issues that require review.

The distinction between sponsorship and gift recognition is important for two reasons. First, the Canada Revenue Agency does not consider gift recognition as a benefit bestowed upon a donor. However, if there is a benefit, the law requires that the amount of the receipt be reduced by the amount of the benefit returned. That requires an accurate measure of the value of the benefit. An improper valuation could lead to the issuance of an inaccurate receipt, and consequences to both the donor and the charity if it is discovered by the CRA.

Of course, valuing something as intangible as advertising requires professional help and there are those in the field who have developed methods for valuing such things as a banner, a print ad, or a website ad. (It would be prudent to use an expert in these matters given the potential consequences of an inaccurate valuation and the CRA’s own concern with a valuator’s qualifications). The CRA does recommend using an independent valuator when the estimated value is greater than \$1,000.

Receipt may not be necessary

This brings us to the issue of the necessity of the receipt in the first place. Corporations can deduct from their income any expenses incurred to earn income. So, assuming the corporation can reasonably justify its sponsorship as a marketing expense, the amount of the benefit is deductible on these grounds by the corporation.

Similarly, charitable donations are also deductions for corporations. Therefore, if a given payment to a charity (as opposed to a not-for-profit) is of mixed business and charitable

purposes, the corporate sponsor could deduct the entire amount – in part as a business expense and in part as a charitable donation.

The split of the payment into a business and charitable amount can be useful, as it may allow charities to appeal for a total sponsorship paid in part out of the sponsor's marketing budget and part out of its charitable budget.

Adam Aptowitzer
Drache Aptowitzer LLP

Adam Aptowitzer of Drache Aptowitzer LLP is a charity law lawyer with a national practice based in Ottawa. He has been published in Canadian Taxpayer, Canadian Fundraiser (now Canadian Fundraising & Philanthropy) and the Not-for-Profit News. He has also published a widely distributed study on the regulation of Canadian charities with the C.D. Howe Institute.

As a speaker, he has presented to the National Symposium of Charity Law, the C.D. Howe Institute, the Association of Fundraising Professionals, the Canadian Association of Gift Planners, the Ottawa Estate Planning Council and various large and small Canadian charities. He has also given expert advice on Parliament Hill. Adam is an executive member of the Canadian Bar Association's Charity and Not-for-Profit Law section.

For speaking engagements and consultations, contact him at 613-237-3300 or visit <http://www.drache.ca>.

Beyond signs and special seats - making sponsorship sizzle

You've checked out your prospective sponsor's business needs and figured out where your opportunity fits with them. You've submitted a dynamite proposal and celebrated when you learned it was accepted. Now all you have to do is run with the event or program and make sure you thank the sponsor profusely, right?

Wrong, according to **Brent Barootes of [Partnership Group – Sponsorship Specialists](#)**. Activation is the key, says this sponsorship and sports marketing veteran – a key that many businesses don't know how to use. Lead your sponsors down the road of activation, he told a Toronto audience at a May 2010 seminar, and you'll build a much more successful event for them and for you.

Activation means that the sponsor spends even more money on the sponsorship than you, the charity, will receive. It's an investment that makes the sponsorship even more effective, and can include anything from pens and T-shirts to huge media buys. Bell Canada, for instance, paid VANOC \$80 million to become the exclusive sponsor of the Olympic rings for the Vancouver Olympics – but it spent another \$320 million on activation.

It's not unusual for a charity to initiate activation ideas. Your sponsors may not have done activation well in the past – or even realized that they have to do it at all. You may have to help sponsors determine their goals, then bring them ideas that meet their needs and budget for activation. Here are some tactics you can discuss with your sponsors.

Public relations

Do your sponsors need PR support, and could you provide it? Will a media buy help them reach the goals they have for their sponsorship with you, or can they use that money more effectively on another tactic? How can you leverage their communication efforts? Would it help their image, for example, for them to do a press conference in your facility, thereby highlighting their support for a community organization?

Sampling

Sampling is one of the most common activation tactics. It also provides a clear example of where sponsorship ends and activation begins. The right to sample is part of a sponsorship agreement. Providing samples at a sponsor's expense is part of the activation budget.

Help sponsors think about what the most appropriate, memorable sample might be. Barootes cites the example of a software company that made its mark by dispensing ice cream at an event rather than just tucking a CD of software into the event bag.

Hospitality

Help your sponsors think through the need for hospitality and the reasons for it. Are they going to host clients, staff or both? If so, remind them to budget for anything that other attendees are purchasing, such as draw tickets, food or a cash bar.

Speaking opportunities

Should a sponsor's president or VP address the audience? If a celebrity is part of the event, would it be better to position the celebrity speaker as the sponsor's representative? Will media have extra access to corporate personnel or a celebrity speaker for interviews?

Driving post-event traffic

Sponsors might distribute "bounce-back coupons" that bring your participants to their premises or to a Web page soon after the event or program. **Banana Republic** for instance distributed bounce-back coupons as part of its sponsorship of a **Toronto Symphony Orchestra** concert. In the two-week period after the concert, traffic at its Toronto stores doubled and sales rose by 60%. It's important to build a tracking mechanism into the coupon so that the business it generates can be clearly traced to your event.

Signage

Get your sponsors to think about signage opportunities. Do they need all the spots you give them? Do you have specs for quality and size? Can you help sponsors make their signs creative and eye-catching?

"If you do what's right for your sponsors," Barootes concludes, "you'll end up with more money in the long run." And a smaller sponsor that activates well can outshine even a title sponsor that lacks an activation strategy.

*Janet Gadeski
Hilborn*

The sponsor who didn't get it: a true fable

The biggest annual community fundraising event in the city of Elm Mott was a four-day festival of food and music produced in a large lakeside park. One chapter of a local service club spearheaded the event with considerable help from the other chapters in the city. Attendance was huge: the record was 175,000, pretty impressive for a city of 160,000 people.

Attendance, of course, wasn't the only form of support that the festival organizers attracted. Sponsorship was vital. The long and diverse list of business supporters always included the *Elm Mott Herald* and most of the other major businesses in the city. Everyone knew everyone else, the sponsors returned year after year, and the organizers were grateful for one area in which it was no longer necessary to dot the I's and cross the T's.

The downtown restaurants didn't mind the festival either. They kept their doors open and welcomed those who preferred to sit on an outdoor patio, sip a sophisticated beverage and enjoy the music from a distance. But Kate's Kitchen, a restaurant at some distance from the festival, eyed the crowds with something resembling envy. A regular advertiser in the Herald, Kate's was allowed, even encouraged, to submit its advertisement online directly to the production personnel. And thanks to that, the long-standing partnership between the festival and the Herald went a little awry.

Sponsor published cheap shots

Imagine the consternation of the festival organizers when they picked up the mid-week edition of the Herald just before their opening night. They saw an ad from Kate's trumpeting its own food festival and reminding readers that at Kate's there were no lineups, the restrooms were clean, air-conditioning was available and the parking was free.

That actually happened in a community with which I'm familiar. I've changed the names, of course. And the paper's slip-up has changed the relationships.

Assumptions, assumptions

A couple of things might have caused this unhappy situation. The Herald had sponsored the festival, and indeed every other major community fundraiser, for years. It's easy to imagine everyone becoming so comfortable that there was no need to revisit the arrangements. No need for the organizers to reiterate the value of their event, the size of their audience, the prominence of the festival, and thereby emphasize to the Herald that it was contributing something of value to the Herald's brand. No need for the Herald to think through the meaning of that partnership, indeed every one of its partnerships with community fundraisers, and develop consistent policies to guide them in such alliances.

It's a close-knit city with a lot of goodwill, so the relationships will be mended fairly quickly. But it's a situation that charities can avoid by being more analytical about what they want from the sponsorship, and more assertive about what they have to offer.

Take pride in what you have to offer

Had the Herald been more conscious of its role as a partner benefitting from the arrangement as well as contributing to it, it might have encouraged Kate's to promote its food without negative comparisons to the festival. And no one can do a better job than the festival organizers of reminding the Herald of the arrangement's benefits.

Though many charities find it hard to blow their own horn when they're sitting across the desk from business people, it's essential to enter sponsorship negotiations with a clear idea of what you have to offer, what it's worth, and how all that fits with the business needs of your prospective sponsor. Then help the sponsor figure out how to make the most of that partnership.

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