



Corporate Sponsorship

Corporate sponsorship is the financial payment by a business to a nonprofit to further the nonprofit's mission, that is generally accompanied by an acknowledgment that the business has supported the nonprofit's activities, programs, or special event.

Types of Corporate Sponsorship:

1. This would be getting a "sponsorship" from an employee's place of business and in essence the business pays the members membership dues rather than the member paying. This member would belong to a specific chapter and count towards chapter/state membership numbers.
2. A business has an extension solely for those working within the company. This would be similar to a collegiate chapter where it would be company specific with a flat fee for membership dues but the membership is not transferable since its company specific. Company members can always join an extension outside their company but will pay different state and chapter dues. This would count as a separate chapter entirely benefitting the state in which the company resides. This type of sponsorship would still be responsible for new charter paperwork to include obtaining an EIN number etc.
3. Event specific sponsorship opportunities are for specific events. Each event is unique and the costs vary depending on the level of benefits and event type.
4. Chapter sponsorships provide funds and/or contributions typically in larger sums, either monetary or in-kind, to defray specific expenses, such as printing or advertising, facilities for the chapter, such as space and refreshments for meetings, administration costs, etc.

A successful corporate sponsorship will benefit both the nonprofit and its sponsor. Corporate sponsorships of any kind attract the attention of for-profit businesses because sponsorships offer public recognition of the business's connection with a certain charitable cause, which may help businesses attract new customers or boost the company's reputation. Nonprofits in turn, receive financial support and may also experience increased attention from the media and the public, in-kind services, and/or product donations.

Practice Pointers:

Is your chapter/state ready to approach a corporate sponsor? Readiness factors - before reaching out to recruit a corporate sponsor:

- Identify the value and concept that will attract a business to sponsor your mission or special event. (Do you know what the potential sponsor wants? What would “success” look like for the sponsor?);
- What goals do you have for the chapter, besides financial contributions? (Publicity, volunteer/pro-bono assistance, gifts-in-kind);
- Document all parties’ involved expectations, obligations, and deliverables in writing. Start with a proposal, and then have a written AND signed sponsorship agreement. Most successful sponsorships are based on a written sponsorship agreement.

Who do I target and what’s the process?

The first consideration is having a good understanding of your target audience – those are people who are interested in what you do. One of the worst things you can do is send an unsolicited, untargeted, irrelevant proposal to a potential sponsor. Do your research and reap the benefits.

Step 1 - Create a wish list of sponsors

Consider the following:

- What products and services does your target audience use?
- What business / social connections do you have to a sponsor?
- Who sponsors events, teams or organizations that are similar to you?
- Who are their competitors?
- What products and services would you recommend to someone else? Think brand loyalty.

Work it out:

- Really get to know and understand your target audience;
- Take a good look at your peers / competitors. Who's been successful with their sponsorship programs?
- Review the peak sources of information in your area. (Examples: Websites, forums, social media, journals, magazines, TV etc.);
- Keep writing down names of companies until you've got a nice healthy list – say 25 to 50 to start with. You can always add more as new ideas come to mind.

Step 2 - Research each of the sponsors

The idea is to **get a good understanding of what makes the company tick** and realistically assess the potential sponsorship opportunities.

How to research potential sponsor ideas:

- **Company website** – Go thorough this is great detail. Get know the company well.
- **Brand websites** – Often a company will have multiple brands so make sure you research these in detail as well. Separate marketing and sponsorship staff may support each brand.
- **LinkedIn profile** – Most large companies and their staff have LinkedIn profiles. This can be a great way of discovering who you need to speak to and it also opens up networking opportunities. If you have a LinkedIn profile yourself you may find a colleague, client, supplier or friend who is connected to one of your target sponsors and this may result in a warm lead.
- **Social media** – Facebook, Twitter or other sites. Use Twitter hash tags to see what other people are saying about the company/brand.
- **Google search** – Limit your search to your geographical area and use the Google Advanced Search to limit the results to the last 12 months or so.
 - Key Words:
 - sponsor | sponsorship
 - market | marketing | marketing plan | marketing strategy
 - target audience | target market
 - annual report (for publicly listed companies)

Step 3 - Record Details

Keep track of all the research information about a potential sponsor.

The template includes the following fields:

- Company name
- Location
- Primary and secondary contact information
- Website and social media links
- A list of brands, products and services
- The sponsor's marketing objectives
- Target audience details
- Current sponsorship arrangements – a list of existing sponsorships Operational areas and geography
- General notes
- Communications log – used to track the who, what, when and how of your interactions with the sponsor

Step 4 - Reality check

At this point it should be pretty clear which opportunities are **NOT** worth pursuing. This

could include a non-compatible target audience, a policy of not supporting your type of property, saturation of the market or financial business pressures etc.

How do I know if we are compatible?

8 Compatibility Attributes

- **Relationship** – Do you have an existing relationship or connection with the sponsor?
- **Objectives** – Do you fit with the marketing objectives of the sponsor?
- **Audience** – How closely do you share a common target audience?
- **Competition** – Does their competition use sponsorship in your area as a marketing tool?
- **Attributes** - How closely do the attributes of what you have to offer match or compliment that of the sponsor?
- **Geography** – Does the sponsor operate in the same geography as you and have marketing objectives targeting the same level?
- **Comfort** – How comfortable are they using sponsorship as a marketing tool? Do they have a strong sponsorship history?
- **Size** – How big is the sponsor compared to the value you can provide? The bigger the gap the less compatibility. For example, Sony is unlikely to sponsor the local junior soccer team.

Step 5 – Make Contact

By this time you should be ready to pick up the phone and contact your hot list of sponsors. You have done your research and know specifically what it is your are seeking from the sponsor and what you have to offer them.

When making contact:

Avoid:

Sponsorship manager – One of the sponsorship manager’s biggest roles is that of gatekeeper – keeping you away from the real decision-makers.

Online sponsorship submission forms – These are nothing but automated gatekeepers and don’t give you the scope to showcase what you really have to offer. Avoid them at all costs.

Agencies – It’s just not a good idea to volunteer to put a third party between you and the decision-maker.

CEO/MD/President – Please hear me when I tell you this: The CEO is not going to say “yes” to you. They aren’t going to say “no” to you, either. They’ll pass your proposal down the line until it gets to the sponsorship manager and then s/he’ll say “no”. Meanwhile, you’ve burned a ton of time.

Seek:

Brand manager (or a member of the brand team) – In most companies, this is who has the authority, flexibility, and budget to say “yes” to you, and is who you need to target.

General manager – This is often the right person to target in a smaller company, particularly a local or regional company.

Regional marketing manager – If what you’re offering has a primarily local or regional focus, you could opt to approach the regional marketing manager. They may have the budget and authority locally, and can be a strong advocate in home office if your offer is enticing enough.

Now you have made contact and have gathered even more information that you wouldn’t have otherwise obtained other than through your contact. They have asked for a proposal and you are ready to write/adjust your proposal. Whatever the size or type of sponsorship you’re going after taking the time to create a detailed and to the point proposal will likely increase your chances of not being rejected.

7 key sections of your sponsorship proposal

1 - Sponsorship Opportunity

The sponsorship opportunity is an executive summary or synopsis if you like, focusing on the benefits and outcomes for the sponsor.

Limited to a few paragraphs and the liberal use of bullet points, senior managers should be able to read this section of your sponsorship proposal and come away with a good idea **what you do, who you are and what's in it for them.**

2 - Marketing Objectives

Next we outline the marketing objectives as discussed with and agreed by the sponsor. For example:

"As discussed, the marketing objectives for the sponsorship program are:

- *Increase existing media coverage to include 2 feature stories in senior publications*

- *Add 50 more volunteers to our program in six months*

3 - Measures of Success

Document the quantitative and qualitative metrics you will use to measure the success of the sponsorship program, as discussed with and agreed to by the sponsor. For example:

"The measures will include:

- *Monthly analysis of volunteers recruited*
- *Exit surveys of event attendees to ascertain brand awareness*

4 - Value to the Sponsor

One of the most important sections of the proposal is detailing the value to the sponsor. This is the sell, the "what's in it for me".

Through good management and thorough research you already have this information straight from the sponsor. You've discussed it and agreed on the details previously, so it's a matter of stating the facts.

"The value to 'the sponsor' will include:

- *Stronger relationship with customers which leads to higher conversion rates and repeat sales*
- *Additional sales which will allow you to invest more funds into research and development of new products etc.*

5 - Unique Marketing Initiatives

So far most of the information in the sponsorship proposal has been a re-iteration of the elements already discussed and agreed to with the sponsor.

Looking back through your information, propose a number of unique marketing initiatives designed to meet the sponsors objectives, can be measured and provide the required value.

Include information regarding the target audience that's relevant to the sponsor:

- Total audience numbers
- Demographics - statistical view of the target audience, including age, gender, income, schooling, occupation etc. **FACTS**
- Psychographics - attributes relating to personality, values, attitudes, interests and lifestyle etc. **FEELINGS**

Detail a number of options that incorporate the unique marketing initiatives and fit with the sponsor's expected return on investment.

You could provide an option below the estimated budget, one right on budget and one over. You may find the sponsors will go for the higher option if the perceived value is there.

6 - Terms and Conditions

Up until this point we've not mentioned the investment amount; now's it time to get to the nitty-gritty.

In the terms and conditions section of the sponsorship proposal include:

- The cost per sponsorship option as detailed in section 5 above
- The time-frame of the sponsorship proposal
- Your payment terms. If the proposal last a year then I like 50% up front, 30% after 6 months and 20% after 9 months
- Details of any insurance you hold. You'll need public liability insurance (another cost you need to be aware of).
- Any other conditions or special features the sponsor should be aware of

7 - Call to Action

Finally, place a call to action at the end of the proposal. Include:

- All of your contact details including email, mobile phone, social media and website address
- An opportunity to come and see you in action if appropriate e.g. a sporting team or regular event
- A message thanking the sponsors for their time and consideration of your proposal

Last but not least deliver the sponsorship proposal and follow-up in a couple days. If your proposal is rejected don't be afraid to ask why so that you can learn from the encounter.

References:

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