

Sponsorship – Holy Grail or poisoned chalice? **Charlotte Platt, Senior Consultant, DixonRaines**

Your organisation in headline six figure sponsorship win – you can see the front page feature in your local rag. Just think wouldn't it be lovely? Dream over!

Of course these attention grabbing sponsorships **do** happen – but for the most part they are few and far between. In general, sponsorship generates a more modest though valuable income. But there is still a temptation to think that it can easily solve all your problems – it's the answer to your prayers – right?

There is a desire for organisations to launch sponsorship programmes either because resources are so hard-pressed something has got to be done to generate additional revenue or because everyone else is doing it so best not miss the bandwagon?

Well its true, a vibrant sponsorship programme can make positive contributions to an organisation both in terms of introducing badly needed extra cash but also in lots of other useful ways. It's also quite a fickle source of funds so be careful not to rely on it too much.

As with all things, it pays to do your homework.

There are certain ingredients that are needed to make it work – if you have got them you may well establish something valuable but without them, launching a sponsorship programme could seriously damage your wealth.

Why?

First things first. Why sponsorship? Perhaps you envisage lots of cash rich, juicy businesses all falling over themselves to open their cheque books in your direction and get their slice of your artsy reputation to make them look a bit more “creative” – a few logos on the print, a few tickets, canapés and glasses of wine, Bob's your uncle the cash will flood in. Easy, right? No, believe me, it is anything but easy.

If you are going to set up a sponsorship programme, it will be extremely hard work and will have a variety of implications for the organisation. It could be one of the best things you have ever done but it is wise to examine the other potential

sources of income available to you before deciding that sponsorship is likely to be the most appropriate – and fruitful.

It could be that the corporate world is not for you. Generating income from other sources maybe more lucrative. If, for example, your work is worthy but not sexy or high profile, if it works in a niche field or is very cutting edge or you have poor facilities for the all important corporate hospitality and are not able to devote appropriate resources it may be more sensible to consider building up a robust plan for applying to trusts & foundations or appealing to those that are already engaged audience members to establish an individual giving scheme, a Friends or subscription scheme for example.

If you conclude that sponsorship **is** for you, then it is sensible to do some research into the marketplace and get to know the territory – how big is the pool of potential sponsors? Who is sponsoring what already and why? Where's the competition, what are they offering and where does your organisation fit in? How are you perceived amongst the business community? Would they be interested in you? Do you have any sponsorable projects? Can you meet sponsors needs and expectations? How do you approach potential sponsors? Where do you start? There are these questions and more besides that you need to answer before you begin. Planning can be a bit tedious but it will make the doing all the more effective, and enjoyable.

And beware that establishing a sponsorship programme is almost certainly *not* going to give you a quick return. You will need to make a financial commitment to invest in appropriate human and other resources to support it.

You only want me for my money?

Assuming you have made some positive progress with your research it is important at the same time, to develop a clear idea of what you want to get out of it too – is it purely the cash?

The answer will most probably be yes, it is the cash. But very close behind come a host of other valuable benefits. Of course you are doing it for the cash and it is extremely important that the eye is not taken off that ball. Your sponsorship programme can and must work for you on a number of levels but if you are not making money out of it you may as well not bother. But there are costs associated with providing the benefits that sponsors will want – it's not free money or a donation, they will want something in return but it is imperative to control the costs.

Be aware too that not all sponsorship involves cash coming in to your organisation. In kind sponsorship that can provide equipment or services can be equally helpful. Media sponsorship for example, can be an extremely valuable

partnership offering you exposure in print or on the airwaves that you may simply not be able to afford ordinarily.

So after the cash – what else is there that could benefit your organisation?

An awful lot. An effective Sponsorship Programme can provide your organisation with a profile in the business community opening up a new constituency. Establishing a dialogue with business can provide your organisation with access to key influencers and people who may well have networks and contacts that could be helpful to you in lots of unforeseen ways. It also offers you access to a valuable skills base – the potential to add someone with key skills and experience to your Board perhaps? And don't forget, that potential sponsors can become potential donors. Many may have a large workforce of potential ticket buyers/subscribers/Friends/donors too.

So the picture looks promising outside. What do you, as an organisation need to do?

Get healthy on the inside

It's a good idea to do a little navel gazing. Developing high profile relationships with business may require some subtle but important changes within your organisation – both physically and culturally - from recruiting appropriately experienced staff to possibly creating a new space for your sponsors to entertain their clients in comfort.

The whole organisation needs to be fully briefed from the Board down. Sponsors, like any other visitor, should be made to feel welcome and staff need to know why the organisation is embarking in this new direction - from front of house and reception staff, to box office, catering and security – everyone should be part of the effort to ensure that when sponsors are in the building having an event, everyone knows what is expected of them to ensure everything run smoothly.

So what constitutes a successful sponsorship? How do you make sure the figures stack up, you don't offer too much (or too little), you meet expectations and ultimately, they come back again?

Make it a date

It's about establishing meaningful relationships. You will both have very different reasons for embarking on this partnership but there will be some common features. From the outset at your first meeting, make sure you know what each others expectations are.

Listen to what the sponsor is telling you and try to do a little of their thinking for them. OK they know their business best, but they probably don't know the many activities your organisation is involved in, what makes you unique and what may be the more appropriate sponsorships for them to get involved with. Is their interest purely and simply about entertaining clients or is enhancing brand awareness or improving corporate image a need? Do they want to be externally focussed on their clients and prospects or is some element of providing for their workforce important to them? They may arrive wanting to talk to you about one sponsorship idea but you may convince them of a different one. Don't forget to explain your organisations needs too – create a two way dialogue and some surprising ideas may present themselves.

Identify clear objectives and agree ways in which you are going to achieve them. This will make it easier to deliver results, to exceed expectations, and to evaluate the project afterwards.

But not a cheap one...

When discussing what benefits you can offer, make sure you have prepared a budget first. You need to know exactly what costs are attached to them – the obvious ones being the cost of tickets and advertising, possibly catering too (though I would generally recommend this is dealt with separately). But don't forget the value to the sponsor of something that may have a very low cost to you - a logo on promotional print, a sponsors' message or editorial in the programme, a framed copy of a poster signed by the cast, the opportunity to meet the artists, staff or to have a backstage tour – and the more intangible value of association with *your* brand.

Don't sell yourself too cheaply and give too much away! Where is the value in attracting £10,000 worth of sponsorship and giving it all back in benefits? Zero.

Dot the I's...

Once you have agreed your sponsorship – put it in writing. You should have a document that is effectively a contract detailing exactly what you have agreed to provide and what the sponsorship fee includes, together with the agreed payment schedule. You can both work to this document throughout the sponsorship – as an aide memoir, to clarify any dispute or confusion and afterwards to help the evaluation process.

Once the nuts and bolts have been agreed it is the manner in which the sponsorship is executed that will then leave one of the biggest impressions. Your organisation needs to be every bit as professional in its approach and dealings as the sponsor is.

This is why it is imperative to have an experienced member of staff dedicated to the task. Someone who knows the business world and how it works as well as knowing the idiosyncrasies of your organisation. They will be the interface between the two which ensures that everyone is happy and the relationship works well. If anyone else is given the job of running the sponsorship alongside their “normal” job they won’t have the experience or time to devote to it and it will be very obvious to the sponsor – a lacklustre experience at best, a recipe for disaster at worst.

The important thing to remember is the first sponsorship will be the hardest to pull off – but do it right and the company will come back for more – and word will out into the business community attracting others. Remember, their agreement to sponsor and hand over the cheque – is the *beginning* of the relationship, not mission accomplished. Neglect your sponsor at your peril.

Enter hawk-eye ...

Your Sponsorship Officer needs to have a keen eye for detail to ensure nothing is overlooked, to have the authority to take key decisions and to be effective in liaising with other members of staff within your organisation – marketing, catering, production, education, front of house etc. They should have the ability to see an opportunity and work in your organisations’ best interests whilst also going the extra mile for the sponsor.

If both parties have a clear idea of what the project is hoping to achieve and can work productively together it will lead to a more enjoyable experience for everyone. Of course, there will be times when you have to stand your ground, but if a good working relationship has been established it should be possible to resolve any issues that arise to the satisfaction of all concerned and before they become major headaches!

Say no if you have to

It’s also important that you recognise your limitations – if you can’t provide a Michelin star meal, don’t pretend you can. The corporate hospitality element of sponsorship relationship is one of the most important. It’s a very public showcase for the sponsorship and one that will hopefully leave important relationships enhanced – for the sponsor as well as for you. Don’t forget that sponsors’ clients are your potential clients too – sponsors, donors, or ticket buyers. If they have a good experience, it can only help your reputation. Similarly, if they have a bad one – news travels fast.

From the moment guests arrive and hand over their coats, to the moment they pick them up again to leave, everything in between must not just be adequate, it must be as good, or preferably better than, any of your competitors. It’s alright to limit the scope of the catering if you need to do, the important thing is to make

sure that the food and drink that you do offer is of high quality, nicely presented and helpfully served with a smile.

Going all the way ...

So how do you exceed expectations? A successful hospitality event with attentive and high levels of service is a very good start. Even if the marketing data all stacks up well afterwards, the enjoyment and positive feedback from happy and satisfied clients is going to be of prime importance to the sponsor.

But the nature of sponsorship can and does take many forms these days. The opportunity that the arts has to offer sophisticated projects which go way beyond traditional forms of sponsorship will hold appeal for some businesses.

One potentially useful conversation to have when looking at adding value is to talk to your local Arts & Business office to see if there are ways in which the New Partners Scheme may be able to enhance the partnership you are forging. As well as sound advice and other relevant contacts they may be able to offer, there's hard cash on the table too. This could offer a completely new dimension to the partnership and is aimed at persuading business, and the arts, to try something new.

Take your partner every step of the way with you – include them in the development of the project, keep them up to date, make them feel special, a valued part of the team and if possible, have a bit of fun!

There are other ways in which you can factor in nice surprises to try to make the difference that will set you out from your competition. Make it pertinent to what makes your organisation special but never underestimate the power of the arts. What we take for granted – a backstage tour, demonstration of technical equipment, meeting with the director or a look at costume drawings with the designer – can be a memorable treat for the sponsor and their staff.

The morning after...

Once your successful project has concluded don't leave them high and dry. Arrange a "de-brief", examine what worked (and if necessary what didn't), look at ways in which things could be improved for next time. And do your evaluation. Again, Arts & Business can offer advice to help you through the process but essentially, it is a method of measuring results against the original objectives – did the sponsorship work as expected? Did it deliver? Were there any nice surprises or unexpected outcomes – did anything not work and if so why?

As long as a good working relationship has been established even unexpected problems along the way can be resolved and hopefully, at the end of it all will be a mutually beneficial experience – and one you both want to repeat with another date!