

business sponsorship

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how to service a sponsor and deliver the benefits effectively

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how to identify the right sponsors for you



Identifying potential sponsors starts with understanding your own brand and audience.

Creating a list of potential sponsors may sound like an easy task, but there's work to be done before you reach this step and be ready to start a conversation. To identify the right sponsors for you, follow the steps below first.

Step one: Know your brand essence

This step is critical. To attract sponsors, you'll need to explain your brand essence, your values and what you stand for in your **elevator pitch**.

You're looking for a partner that shares these values and concerns. A company is not a sponsorship prospect if their values are different to yours, if their risk appetite is lower than yours and if you're trying to engage with different sections of the community.

Step two: Know your audience

When it comes to sponsorship, your most valuable asset is not you or your organisation – it's your audience. Your sponsors want to raise the profile of their own products and services by gaining access to your audience.

To speak to potential partners about your audience, you'll need to find out who are they. Conduct an audience survey via email, social media, or by using a platform like Survey Monkey.

Let your audience know that the information will help you attract partners to support your artistic programming. Offer some complimentary tickets as an incentive. Ask questions like: Where are you from? How old are you? What do you do? What is your approximate household income? What do you care about?

Armed with this information, it may help to create an 'avatar' to characterise your audience. For example, if your audience is mostly female, aged under 40, and earning above average, give her a name, a face, and tell the sponsor all about them: 'This is Grace. She's 32 years old and is a _____ who works for _____. In her spare time ...'

Step three: Create a sponsorship asset register

How will you help sponsors build their brand awareness, engage with new and existing customers, generate leads, sell more products and services, be an employer of choice and increase their social licence to operate by building stronger community ties?

Create a sponsorship asset register listing all the ideas and activations you can employ, such as promoting their brand during events or in your communications, or offering complimentary tickets to their staff or clients.



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In early conversations with potential sponsors, ask about their needs and what they hope to achieve by partnering with you. You can then refer to your sponsorship asset register and explain which ideas and activations will complement their strategy. This will give you a competitive edge.

Step four: Make a list of potential sponsors

Now that you understand your brand essence, values and audience and have listed all the ways you can create value for partners, you're ready to identify the right sponsors for you or your organisation.

At the end of 2017, there were 2.2 million registered companies trading in Australia. To narrow down your options, think laterally. What kind of companies target a similar audience as you? Have you noticed companies that advertise or have digital presence in spaces that overlap with you? Which companies are being profiled by newspapers or industry publications? Ask your board or business contacts to suggest companies that may align with your organisation.

Cover the bases with your research – when you add companies to your list of potential sponsors, spend time researching their organisation, brand essence, marketing priorities and corporate strategy. You'll find this information on their website or via Google searches. If they're a listed company they'll have an online shareholder centre detailing strategy and performance.

With this information at hand, you're ready to **start a conversation**.

TIP.

at the end of 2017, there were 2.2 million registered companies trading in Australia. To narrow down your options, think laterally. What kind of companies target a similar audience as you?

FURTHER READING

- Sponsorship 101** – Web article by Creative Partnerships Australia
- Case Study Iris Colour & Belfast Photo Festival** – from Arts & Business Northern Ireland
- 10 reasons organisations fail to attract and retain sponsors and corporate partners** – Web article by Richard Woodward
- Case Study: Arts Law Centre of Australia**

how to start a conversation about business sponsorship



Starting a conversation about sponsorship is sometimes the hardest part of the process. Here are five targeted ways to approach prospects.

Invite potential sponsors to your events

An advantage of working in the creative and cultural sector is there are plenty of opportunities to get people in a room together. Every performance, exhibition, installation, opening and closing night, or any social event you host allows you to give a short speech and introduce your organisation. Invite potential sponsors to every event. Plan to have people in your team working the room, introducing themselves, staying in touch or requesting a meeting soon after. Handled creatively and strategically, these invitations will attract potential business sponsors to your events, lead to meetings and eventually bring a sponsor on board.

Ask your board for an introduction

Ask your board, advisory committee or extended network of colleagues and friends to help introduce you to potential sponsors in their network. Board members don't always respond well to being asked to provide contacts or make introductions. However, ask them to meet you individually to talk about your sponsorship strategy. Outline the work you've done to **identify sponsors** and ask for their advice about market sectors, companies and who they might know in this space. By planning these conversations and providing context about your sponsorship strategy, you should receive some useful referrals.

Ask existing sponsors or partners for a referral

Existing partners can be an effective source of referrals – particularly if they feel valued by you and are receiving a great return on their investment. These partners will be excellent advocates among their own networks of customers and suppliers. They will often make an introduction directly or they may bring potential partners to your events. Encourage them to do this by offering free tickets or asking them to bring guests to your sponsorship events.

Host your own sponsorship events

To generate sponsorship leads, think about hosting your own networking events. Use your board and networks to cast the net wide and invite two to three contacts each.

Be creative when planning your events, which might involve a performance, take place in the rehearsal studio, in the office, or in a boardroom. Consider hosting a panel discussion on a topic relevant to your work and mission. No matter what format you choose, sponsorship events provide an opportunity to hear more about your organisation with some structured networking time. Make sure you conclude by saying 'thank you' and make two requests: 'Would you like to meet for coffee to learn more?' and 'Would you consider hosting a similar networking event for us?'



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The key is in the follow-up: be disciplined and approach each follow-up meeting with a goal in mind.

Seek advice from sponsorship decision makers

Sometimes you can open a door by contacting sponsorship decision makers and asking for feedback. Send them a pitch document that outlines your value proposition (the assets and value created for the potential partner) for your sponsorship property. It helps if you include a few questions to direct their feedback. Your goal is to buy the recipient a coffee, hear their advice, ask which companies would find the opportunity of value and request an introduction.

The goal of every stage of the sponsorship sales process is to get to the next stage. Keep it simple. The purpose of starting the conversation is not to ask for support immediately but to gather the information you need to develop a compelling **sponsorship proposal**.

TIP.

existing partners can be an effective source of referrals – particularly if they feel valued by you and are receiving a great return on their investment.

FURTHER READING

Tips on attracting corporate sponsorship – Useful overview from Arts Queensland

Finding Sponsors – Good advice from The Funding Centre

Partnership Toolkit for the Arts – from Americans for the Arts

how to develop a sponsorship proposal



Once you've started a conversation with a potential sponsor, the next step is putting together a sponsorship proposal. To do so, you need to ask the five questions below, which will inform the contents of your sponsorship proposal.

When preparing a sponsorship proposal, let go of any pre-conceived ideas about what the sponsor will value. Start by asking the five questions below and tailor your sponsorship proposal accordingly. This article also outlines the different sections contained within a sponsorship proposal and provides tips on sponsorship pricing.

Five key questions

These questions will help you find out what matters to the business owner/s you're pitching to. Think of it as the 'needs assessment' part of the process. You're there to learn, not pitch, and these five questions are a great place to start.

1. What is the company's brand direction and their key market segments?
2. What is their sponsorship strategy and how do they measure the success of their partnerships?
3. What types of assets are they looking for in sponsorship proposals?
4. Who is the decision maker for new partnerships?
5. When in their budget cycle are sponsorship spending decisions made?

When you have answers to these questions, you are you ready to write a value-laden sponsorship proposal.

Designing your proposal

Your proposal needs to be short, factual, engaging and highlight the value delivered to the sponsor. Put your brand's best foot forward with a well thought-through design. Printable Powerpoint documents work well if you don't have access to more sophisticated design tools.

How to structure a sponsorship proposal

Sponsorship proposals contain six or seven sections. Most sections focus on the needs of your potential sponsor, not on you.

Section one: Title page

This page includes your branding, imagery and the name of the program, event or activity you are seeking sponsorship for.

Section two: About us

This page provides a short summary of your organisation, including your mission and values.

Section three: Our audience

Describe your entire audience (physical, digital, media reach etc) and demonstrate the fit between the sponsor's target market and the people that engage with your organisation. Chart some of the data you gathered through your **audience survey** to show the sponsor who they will be engaging with through their sponsorship.



Section four: Opportunity/ies

Refer to your **asset register** and list the partnership opportunities that meet the objectives the sponsor outlined in previous conversations. Start each section with an active heading such as: 'Building your brand in key segments', 'Creating opportunities to experience your brand', 'Generating more leads for B2B sales', 'Being an employer of choice', 'Content co-creation for your digital platforms'.

Under each section, list relevant ideas and activations from your asset register that meet the objectives of the sponsor. Make sure you price these into the sponsorship fee.

Section five: Activation schedule

An activation schedule is a one-page visual representation of the partnership's footprint over the course of a year (or the relevant timeframe if it's a stand-alone event). Create a calendar highlighting the big events, media opportunities, social media campaigns, content development and smaller opportunities around which activations can be planned. This is a powerful page that transmits a lot of relevant information at a glance.

Section six: Terms & Fees

This page spells out the duration of the partnership, the rights that come with it and the partnership fee payable over the given timeframe.

Section seven: Contact details

The final page should detail your primary contact person or people. Include two or three dot points that outline their credentials and experience. This can say a lot about your ability to deliver and **service the partnership** well.

How to price your sponsorship

Pricing a partnership is a logical, mathematical process. Estimate the total market value of all the assets the sponsor is 'buying' from you. Now estimate the cost of supplying these assets. The difference between the market value vs. the cost to supply it is your margin.

Example: A sponsor pays \$10,000 to sponsor an event. The cost of providing the sponsor's signage throughout the event's venue is \$2,000. That makes your margin \$8,000.

The value of 'brand association' should not be over-estimated. A sponsor will typically value it at between 5-10% of the sponsorship fee.

If the market value of the partnership proposal and the fee charged vary wildly, your chances of success are very low. Savvy sponsors will have a clear understanding of the partnership's worth and the value of your assets.

What happens after you submit your proposal?

Once you've submitted your proposal with a friendly covering note, allow a few days before following up with a phone call. Be ready to ask questions about their response to the proposal – its strengths, opportunities, areas to embolden or finesse. Expect to have two or three rounds of negotiations, amendments or changes in direction.

The process can be frustratingly slow but don't assume this means they're not interested in **closing the deal**.

FURTHER READING

How to attract corporate sponsors – Web article from entrepreneur.com

Sponsorship case studies – from Culture Hive

Six Helpful Tips for Negotiating A Corporate Sponsorship – Forbes Business Development Council

how to approach a business about in-kind support



In-kind support can be a convenient and effective way for businesses to assist creatives. It can be starting point to generate additional sponsorship and create ongoing relationships with businesses that share your values.

Approaching a business for pro bono or in-kind support can be a great way to start your fundraising efforts. However, it requires an understanding of the benefits for both you and the business donating their products or services. Put together a strong pitch by following these steps.

Step one: Identify businesses you have something in common with

Look for businesses that share similar values to you. Do you attract a similar audience? Do you share an interest in your local area? Whatever it is that you have in common, this is the basis for your conversation.

Step two: Your goal is to free up resources

For pro bono or in-kind support to be valuable, it should save you money by providing products or services that you would otherwise have to buy or devote resources to. It should be something you need to create your work or maintain your organisation. It could be anything from art supplies to free wine for an event or pro bono legal services to help your artists. There's no point accepting pro bono support if it's not something that helps support your work.

Step three: Become a customer

If you buy their product or service already, it means you can talk with confidence about why a partnership will work for both parties. It also makes the business owner more pre-disposed to supporting you.

Step four: Build a relationship with the decision maker

Your best chance of success is to speak to the person responsible for sponsorship decisions. In a small business, this is likely to be the owner. In a larger business, it may be the head of marketing or the person in charge of corporate social responsibility. Whoever it is, get to know them.

Step five: Talk about what the pro-bono support enables

Explain the difference their support will bring, beyond saving you money. Talk about what their support will enable you to do or what you'll do with the resources you've freed up. In this way, you're building a relationship with the business owner which could result opportunities for further in-kind support or cash sponsorship.

Step six: Understand the opportunity cost for the business

Giving away products and services isn't free for the company. An hour of free legal advice is an hour your pro bono lawyer can't sell to anyone else at a profit. It's important to understand and recognise what their support costs their business.

Step seven: Be specific and offer exclusivity

When you're ready to approach a business, tell them exactly what you need. This makes it easier for a business to decide if it fits within their wider plans. Offer them a unique or exclusive opportunity. A wine company, for example, won't be interested in sharing the limelight with your existing wine sponsor.



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Step eight: Be clear about the benefits of pro bono support (they are rarely about sales)

You're unlikely to boost sales figures for your business partners by accepting their pro bono support. What you do offer is tremendous brand association – by helping create the work, they will benefit by association. If you have in-kind support in place, think about what other opportunities you can offer the business. Perhaps they have other products or services you can highlight, or events which might add value to their brand.

Step nine: Suggest a trial period

A short no-obligation trial gives both parties a chance to test if this is right for them. Suggest a short-term trial, but keep an eye on the long-term benefits. If you can see this being a good match for both parties in five years, that's a good sign.

Step ten: Respect it like cash

Treat your in-kind sponsors like your cash ones. Thank them. Acknowledge them. Keep building your relationship with them and be their champion. Value in-kind support correctly in your reporting and communicate the difference their support has made.

Support from large corporates

Although creatives often look for support from local businesses, it can pay to keep large corporate entities like banks, insurance companies and telecommunications companies in mind. These organisations often have structured programs in place for not-for-profits, as part of their corporate social responsibility efforts. In-kind support can often take the form of reduced price products, business advisory services or access to executive leaders.

These programs differ from company to company and information on them can be hard to find. A useful first step is to find a staff member from your target company (perhaps one of your board members has a connection?) and ask them about what programs are available.

A NSW EXAMPLE: **4ESYDNEY HIPHOP.**

Vyvienne Abla of 4ESydney HipHop Festival and Conference has established a long-term relationship with Ironlak over the last four years.

“ Ironlak is a spray paint company and as part of our festival and program we construct a live graffiti wall with around 20-25 artists painting live, spray painted exhibition galleries, as well as running graffiti youth mentoring programs each year. Ironlak was originally based in Sydney and created with graffiti artists as their main target audience. So for 4ESydney and Ironlak to partner and work together just made sense. Each year we have a discussion around what both partners are doing and re-negotiate the terms around the in-kind support, which is a combination of product in-kind, alongside a portion supplied at a discounted rate. ”

FURTHER READING

Standard sponsorship agreement contract – a sample sponsorship agreement from ArtsLaw

How to get businesses giving to your charity – Advice for not-for-profits from *The Guardian*

Why businesses support the arts – A factsheet from CultureHive
Case Study: Studio A

how to close the deal on business sponsorship



One of the most important skills in sponsorship raising is knowing how to close the deal by keeping the conversation moving. In this article, you'll learn how to respond to commonly heard objections.

When you encounter an objection to your sponsorship proposal, you need to listen, acknowledge the objection, discuss it, and respond.

You may hear the following phrases on a regular basis. Get the conversation moving again to close the deal, or know when it's time to move on to the next prospect.

"I've been too busy / I can't talk about this now"

This phrase doesn't mean 'no'. It's your opportunity to ask when it would be convenient to call back. Let them know it will only take a few minutes to walk through the proposal. If it's of no interest, you won't bother them again. If they were just being polite, you'll force a more direct 'no' and have the benefit of being able to move on.

"We don't have the budget"

If you hear this phrase, the timing could be awry. Ask about the company's budget cycle and decision-making time frame. Overcome cost objections by asking for a ballpark figure to work towards. Suggest that the sponsorship fee can be paid over multiple instalments or in different financial years. If they're not prepared to answer these questions, it will force a more direct 'no', which again helps you move on to the next prospect.

"I need to escalate this as it's not my decision"

This signals that your contact may need some help selling the proposal internally. If you don't know who the decision maker is, find out and get in touch with them directly. Another option is to ask for a short meeting with the stakeholders who have the authority to sign off on your proposal. Ask your contact what concerns this group might have and what objections you'd need to overcome. Remember that nobody will do a better job of selling your proposal than you.

"We need more time"

If you hear this phrase, it's your cue to find out what additional information or support they need to help make the decision. Offer to attend a meeting at a suggested time with the decision makers. This is the best way to address their needs and priorities and demonstrate the value you can create through partnership.



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The silent treatment

This is a tricky one. If you don't get to speak to a real person on the other end of the phone, it's hard to assess whether the silent treatment is code for 'no'.

A rule of thumb would be to try three follow up phone calls and/or emails. Reference the materials sent and offer to be of service. Always include a call to action: suggest a specific time to chat by phone – try 8:45am or 4:45pm to avoid colliding with other meetings. Let them know you'll be in the neighbourhood on a certain date and time. Ask for a short coffee meeting (your shout) because you're interested in feedback on the suite of opportunities you developed in response to your earlier conversation.

When 'no' is a gift

As confronting as it can be, hearing the words 'no' is sometimes a gift. It allows you to move on without the niggling feeling that you didn't chase down that opportunity. Ask why they said 'no' to your sponsorship proposal. This can give you insights into how to go to market more effectively next time.

'Yes, we'd like to sponsor you'

When the answer is 'yes', waste no time in getting an agreement signed, arranging media coverage of your new deal, and forging ahead with the partnership. Remember to show your sponsor the difference their support is making to your art.

TIP.

as confronting as it can be, hearing the words 'no' is sometimes a gift

FURTHER READING

What sponsors want from the arts – ArtsHub article by Diana Carroll

Why invest in the arts – Keynote presentation by Creative Partnerships Australia

how to service a sponsor and deliver the benefits effectively



You've just landed a sponsorship deal that will bring critical revenue to your organisation. Now the hard work really begins. This article explains how to create a sponsorship agreement and deliver the benefits promised.

To kick-start your sponsorship, you'll need to prepare a sponsorship agreement. A sponsorship agreement builds on your **sponsorship proposal** with a set of goals that you and your business partner will agree on and plan together.

These goals will inform how you manage the partnership, what data you gather and how you report on outcomes. The inclusion of time-based milestones will help you manage expectations, particularly if you're servicing a one-year agreement.

In a perfect world, sponsorship agreements are signed for a two-to-three-year period, which helps both parties get to know each other, build momentum and create a true partnership. Many sponsors prefer one-year agreements so they can test the waters and make sure you're a partner they can rely on.

If you have a one-year agreement, set goals to build in some early wins and some back-ended success stories. This will help when you go back to the negotiating table.

Agree on the key performance indicators

You need to be clear about how the sponsor will assess your performance and measure their return on investment by including key performance indicators in your sponsorship agreement. Ask them how they will assess their brand presence, customer engagement, lead-generation, sales outcomes, content development, and other opportunities you will provide. Make sure you address all the things they told you were important at the outset.

With this information, you'll be able to tailor your servicing and reporting and clearly communicate your performance. Doing this means you present your organisation as professional and responsive – particularly at renewal time when you're competing with an array of alternative partnerships.

Activation schedule

An activation schedule is a visual representation or calendar that highlights events and opportunities over the term of your agreement. It is a recommended component of the **sponsorship proposal** and will also form part of the sponsorship agreement. You need an activation schedule for each partnership that you manage and it needs to be integrated with your organisational calendar and marketing strategy.

Schedule planning meetings before activations

For major activations that are part of your agreement, you need to schedule a planning meeting with your sponsor. Be proactive. Tell them you have a great opportunity coming up. What are their goals for the activation? What will success look like? How will they measure it? What is the communications and social media strategy? Walk through the planning and operational side of the activity and make sure you've built in (and explained) every opportunity to help the sponsor realise value.



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Host a debrief meeting after activations

After the event, don't wait to write it all up in a sponsorship report. Invite your sponsor back for a coffee and a debrief. Revisit the goals for the activation and success factors. What worked? What can we improve next time? Have some great photos ready to email and share statistics about your audience, attendees, media footprint and social media reach, etc.

Acquittal reports are not necessary (unless the sponsor asks for them)

An acquittal report, or final report, is an opportunity to report on the success of your sponsorship when the agreement comes to an end. If you've been meeting regularly with your partner, briefing and debriefing and providing regular updates, it is unlikely that a lengthy acquittal report will add value.

If your partner asks for one, then of course, create one. An acquittal report does not replace regular, strategic and pro-active communication. If you rely on an acquittal report to justify the continuation of a partnership, you will be saving your best for a time when it's unlikely to make a difference.

💰 TIP.

you need an activation schedule for each partnership that you manage and it needs to be integrated with your organisational calendar and marketing strategy.

FURTHER READING

Six Helpful Tips for Negotiating A Corporate Sponsorship – web article from Forbes.com

Developing Innovative Sponsorships – article from Creative Partnerships Australia on collaborating with established brands.

Fundraising & Sponsorship in the Arts - Monthly Art World Webinar – Webinar highlights with Kane Moore from Battersea Arts Centre

Case Study: Arts Law Centre of Australia

