

CORPORATE SPONSORSHIPS

IEG projects there will be \$21.4 billion spent in sponsorships in 2015. The thing that is most important to remember is that there are two pots of money when dealing in corporate sponsorships and naming rights. One is on the philanthropic side (which is where most of the nonprofits first tap into corporate dollars) but the next is on the marketing side where there is an expectation of return on investment (ROI). This is where nonprofits lack a true understanding of how to maximize their relationships with sponsors and really build significant financial partnerships.

So a few bits of information: First, companies sponsor through the use of their marketing dollars to help them meet their business objectives:

- Increase brand loyalty
- Drive an understanding of their brand through authentic partnerships that help companies tell their story
- Create an awareness of their brand
- Change or reinforce their brand image
- Drive traffic and stimulate sales
- Recruit and retain employees
- Help in their vendor relationships

We cannot help them achieve any one of those goals in a significant way if we are just offering tickets, logo placements and acknowledgements on our printed materials, web pages and social media sites. We need to take our relationships much further and really understand the sponsor's business objectives in order to be successful.

At the onset, we must determine the cost of the sponsorships based on what benefits we are providing. This requires some real thought and there are very specific questions that a property (nonprofit) must answer in order to determine what they are worth. This process is called valuation. Then it becomes the property's (nonprofit's) job to make these assets work for each specific sponsor.

Next is how well we execute in relationship to the exact marketing goals a company has. This is difficult since in most instances nonprofits never ask their corporate partners for specific goals. So the relationship is gratuitous and shifts if a more thoughtful and profitable opportunity comes into a corporate marketing department. Or, our sponsorship is the first thing eliminated during budget cuts because the relationship is expendable.

Finally, how do we manage the sponsorship relationship? This is a very big problem for nonprofits that fail to realize that corporate marketing department managers are used to the cultivation and management of their marketing dollars through advertising and public relations agencies. These companies work at maintaining strong relationships with them.

Think ... When is the last time you invited all your sponsors to sit around the table together? We advise our clients to have sponsorship workshops at least once a year. Do you have one point person who is in charge of cultivating and maintaining sponsor relationships? Does that person work off a plan to not only manage the account but also lead the sponsor relationship? We advise our clients to think like an "agency." And, in growing your program, do you really know where to look for and how to find the right new sponsors and then close the deal?