

Cheat Sheet: Questions to Ask Before Hiring a Sponsorship Broker

by Kim Skildum-Reid

I recommend that anyone who is considering hiring a broker ask these questions, as the answers will tell you plenty about how it will be to work with them.

Going in, I am assuming that your preference is for a broker to take a best practice approach to selling sponsorship of your event. (Not sure what that is? Read “Last Generation Sponsorship”.) Sponsorship offers built on best-practice principles create obvious and appealing strategic platforms for the potential sponsors, and just taking a best practice approach is still rare enough that the approach itself is a differentiating factor for sponsors. Best practice proposals get more attention.

Some brokers are fantastic, and these questions will allow them to shine. Others are awful, and these questions will make that perfectly clear. Most lie somewhere in the middle, and this process will highlight their strengths and weaknesses, many of which can be managed. There are definitely red flags to look out for, and I have pointed them out, as well as yellow flags (proceed with caution), and good signs.

Please note, while a red flag doesn’t necessarily mean you shouldn’t work with a broker, if you do, you will either need to give a specific directive to do it your way or compromise on best practice.

As with all of my materials, I am using the word “event” in a very generic fashion. Please take it to mean anything for which you’re selling sponsorship, be it an event, team, league, charitable initiative, museum, venue, association, or whatever.

Q: How many proposals do you generally send out?

What you’re looking for here is some indication that sponsors are carefully targeted and proposals are customised to their needs. Answers like “no more than ten or twelve as a first pass” or “we target only a handful of the best prospects at a given time” are good signs.

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Note: If you're new at this, I understand that targeting fewer sponsors at a time seems somewhat counter-intuitive. Please believe me when I tell you that sending out hundreds of uncustomised, search-and-replace proposals is the sponsorship equivalent of a "Dear Occupant" letter in your mailbox.

If the broker references their "vast database of potential sponsors" or talks about targeting 30, 50, 100, or more potential sponsors in one go, that is a red flag. They are telling you that customisation is not part of their normal service.

Q: Do you talk to the potential sponsors about their needs before creating a proposal? How do you know what they are trying to achieve?

You want some indication that they do their homework before creating a proposal, as no two sponsors are trying to achieve the same thing – not even two banks, two soft drinks, etc – their objectives, target markets, brand attributes, business situations, and more make even direct competitors very different sponsorship prospects.

If you hear anything along the lines of, "We've been doing this a long time. We know what they want", you can be absolutely sure that they don't know what they want. The days of sponsors just wanting some combination of logos on things, tickets to things, some kind of hospitality, and some kind of official designation are long gone.

This question, again, goes to customisation. It also showcases whether they are selling sponsorship for the multifaceted marketing tool it is, or as the one-dimensional billboard it was a couple of decades back.

Q: How do you determine what you are going to offer any specific sponsor?

What you want to hear is that a proposal is tailored to their objectives and target markets.

If you hear anything along the lines of “we offer the same basic package to everyone” or if any tailoring sounds cursory, along the lines of “if we sell to a car company, obviously they’ll want to display a car”, you should consider that to be a red flag.

Q: Can I see one of your proposals?

This is a biggie. You really need to see a live (real) proposal before you commit, as it will tell you a lot about their approach. If they balk, this is a huge red flag. You don’t need to take it away with you, but you must examine a real proposal they’ve done for a client.

Do not hire a broker if they won’t show you a live proposal.

Analysing the proposal

Okay, so let’s assume you’ve got the proposal in your hands. There are a number of things to look for which will give you a keen insight as to whether this is the right broker for you.

Layout

- ▶ Is it on letterhead?
- ▶ Is it formatted nicely? Are the paragraphs and headings consistent? Has it been proofread?
- ▶ Is it easy to read? In a sensible order?

Content

Does it provide sections or pages for each of the following? Don't worry about how the section or page is titled – just concentrate on whether this content is included.

- ▶ Event overview – Description of the event, setting the stage for the rest of the proposal
- ▶ Event details – The basics, like date, location, admission price, etc.
- ▶ Target markets – Ideally, this should talk about various segments of the audience
- ▶ Marketing plan – Overview of how the event will be marketed to its potential audience (ie, main media, PR, social media, database, website, etc)
- ▶ Creative leverage ideas – This is a highly customised section that provides the potential sponsors with ideas as to how they can use this sponsorship to meet their needs. Note: Leverage ideas do not include extra benefits that can be purchased.
- ▶ Benefits – The specific benefits to be provided by the event
- ▶ Investment – The specific cash, contra, and promotional investment required

A proposal should have every one of these sections. Generally, a proposal will need to be in the neighbourhood of 8-14 pages long to accommodate all of this information.

The one that is most often omitted is the one outlining leverage ideas. Finding those ideas requires more work than some brokers are willing to put in, but it is absolutely the biggest component in getting a proposal seriously considered. If it's missing, follow up with the following question:

“My understanding is that the number one thing sponsors are looking for when considering a sponsorship proposal are creative ideas for leverage. Why don't you include leverage ideas in the proposal?”

If they seem open to the idea of incorporating ideas, that would be a yellow flag (you will need to ensure they actually do it). If they look like a deer in headlights or say something like, “we know what we’re doing”, that’s a big red flag. They’ve just told you that they aren’t interested in doing the most important thing you can do to get a proposal over the line.

Benefits list

The four benefits that make up the lion’s share of most proposals are: Logos on things, tickets to things, some kind of hospitality, and some kind of official designation.

If the benefits list is anchored on those four benefits, it is old school and the type of proposal that is unlikely to be strongly considered. Consider that to be a red flag.

If the benefits list is interesting and provides for individual sponsor objectives, and especially if it is built to support creative leverage ideas, that’s a great sign.

Offer structure

What you are ideally looking for is one offer that has been customised to the specific needs of the sponsor with one price attached. On occasion, a couple of bolt-on extra options are offered, which is fine, so long as they are enhancements to the main proposal. Of course, different organisations have different styles, and there are a number that can work, but there are two types of offer structures that are big red flags.

If the proposal is laid out in some kind of hierarchal fashion (eg, gold, silver, bronze levels), that is not a good sign. Sponsors hate those proposals, as they are uncustomised, inflexible, and unrelated to their needs. There is actually a term for how sponsors feel about gold-silver-bronze proposals. They call it “precious metal fatigue”.

This frames an event – your event – in an old school manner that lacks any evidence of strategic nous. Plus, if a sponsor *does* commit to one of these proposals, reams of anecdotal evidence is that they go for the lowest

level, as every level just has varying levels of the same four benefits: Logos, tickets, hospitality, and an official designation.

The other red-flag structure to look out for is where they have laid out a whole bunch of events or sub-sponsorships in an a la carte fashion. An example for a conference would be “lanyard sponsorship - \$5000”, “cocktail party sponsorship - \$9500”, etc. This is like selling a ladder one rung at a time and is incredibly counterproductive. A comprehensive, customised offer will always, *always* be worth more than the sum of the parts. (I mean, seriously... how exactly does a sponsor leverage a lanyard??)

If either the levels or a la carte approach has been pre-printed on a glossy presentation brochure, that is a very big red flag. Not only does that make it impossible to customise a proposal, it shows that flash is probably a bigger part of their approach than substance.

Q: Who are your current clients? Do you mind if I contact a couple of them?

A broker will generally be happy to provide a list of current or recent clients. The second question will prove more telling. If they encourage you to contact some of their clients, that’s a good sign, but you definitely do need to contact them. Be sure you ask the clients about the results they’ve had working with this broker, the best parts of working with this broker, and any issues or deficiencies in the experience.

If the broker balks at you speaking to their clients, you should take that as a yellow flag and proceed with caution. They may just have the misguided notion that keeping their clients well away from each other is a good idea, or they may be hiding something.

If you think the broker is good in other ways, you could still contact a couple of their clients. You don’t need their permission to pick up the phone and it’s perfectly ethical to use your network to check out a potential supplier.

Understanding and accepting your role

Even if you hire the perfect sponsorship broker, that does not absolve you from understanding and participating in the sponsorship sales process.

In the end, you will be called on to deliver whatever the broker promised, you will be held accountable for any expectations the broker fostered, and left to manage the fallout if the negotiation wasn't smooth. In the end, that broker has represented your event to the sponsorship industry, and if they made the event or your organisation seem in any way less than it is – less professional, less sophisticated, less of a partner – that will stick to you for a long time.

I'm not saying that this is what will happen, simply that it can happen if you are not engaged in the process and you don't know the difference between best practice and another, less productive approach. To that end, I have two recommendations for you:

- ▶ Familiarise yourself with best practice sponsorship sales techniques, including how to customise an offer and what a strong proposal looks like. There is a lot of information on www.powersponsorship.com, particularly in my blog and the "free stuff" section. If you really want to give yourself a strong background, you can get a copy of The Sponsorship Seeker's Toolkit 3rd Edition, which will guide you through the whole process, plus give you some strategies for looking after the sponsor after the deal is done.
- ▶ Never, ever allow a sponsorship broker to finalise a negotiation unless you are in the room with them and the sponsor. You need to be sure you understand everything that is being promised and every expectation that is being set out. The sponsor will be happy you're there, as you – not the broker – will be the partner they will rely on to help them achieve their objectives after the deal is done.

I wish you all the best and hope that you find a great broker who will bring you great sponsors. Questions? Drop me a line on admin@powersponsorship.com.

Additional resources

- ▶ [*The Sponsorship Seeker's Toolkit 3rd Edition*](#) – Available from any good bookstore.
- ▶ [*Power Sponsorship's Broker Registry*](#) – We do not offer a brokerage service, but we do have a listing of brokers from around the world.
- ▶ [*Kim Skildum-Reid's Corporate Sponsorship Blog*](#) – This is my blog (obviously) and I try to include a lot of how-to for both sponsors and sponsorship seekers.
- ▶ [*Free Stuff*](#) – We have a broad variety of white papers and templates that are available for download at no charge.