

Sponsorship and the Public Sector

by Kim Skildum-Reid

Over the past decade or so, many countries have seen public money consistently flowing away from community programs, education, and the arts. Whether this is a good idea or not is up for argument, but the fact of the matter is that budgets have been cut and the directive, in more cases than not, is that you should make up the shortfall with “community-business partnerships”.

When I was first approached to write this article, I leapt at the chance. Government, at all levels, has moved into sponsorship seeking, but the reality of securing and managing corporate sponsorship has, with few exceptions, gone nowhere near its potential.

Although I could fill a book about government sponsorship, there are a few, key problems that stop government agencies from fulfilling that potential.

Either you're in it or you're not

Across government agencies, there is a common belief that corporate sponsorship is essentially free money, easy to get, and requires no more than a few discreet logos in return. That is a self-defeating mindset if ever there was one.

Corporate sponsorship is a business endeavour that requires hard work, an organisational commitment to doing it right, an investment in time and money, and a very specific set of skills.

If you do it, you will be entering into a mutually accountable business relationship and you will be partners with one or more companies who provide funding, infrastructure, or marketing value to your program. You will have that relationship to manage, as well as internal and external perceptions, and will always have to take into account shifts in politics, demand trends, and public opinion. In short, you are in business just like UNICEF, the New York Mets, the Louvre, and the Super Bowl. If you think sponsorship seeking is any different for you than for any of them, you're wrong.

Kim Skildum-Reid is a Sydney-based corporate sponsorship consultant, author, trainer, and coach with a blue-chip, global clientele. For more on how she can help you transform your approach to sponsorship, check out www.powersponsorship.com

This is a critical point. Sponsors will put their money anywhere that works for them. You are competing for that money with organisations like UNICEF, the New York Mets, the Louvre, and the Super Bowl, and thousands more sponsorship opportunities. If you aren't prepared to be as professional, strategic, and diligent as any of these organisations, you won't be successful.

Things you can do right now include taking steps to really understand how sponsorship works. Some suggested resources:

- ▶ **Read up!** – My first book, *The Sponsorship Seeker's Toolkit 3rd Edition*, is a good place to start, but there are lots more. Check out the recommended books list at www.powersponsorship.com/resources.html for more. I also recommend you read "Last Generation Sponsorship", a free, PDF article covering all of the basics of modern sponsorship. It is available for download, no strings attached, on www.powersponsorship.com.
- ▶ **Join up!** – Join a sponsorship and/or event industry association, do the networking, attend the conference, and if they don't give you the information you need, keep asking until you get it. For a list of industry associations around the world, see www.powersponsorship.com/links.html.
- ▶ **Learn up!** – Invest in training, not only for your frontline sponsorship person or people, but for all of the key sponsorship stakeholders, including events and organisations that you fund. There is no quicker way to turn the boat around than to get everyone paddling in the same direction

There is no level playing field

There is a belief out there that if a government organisation embarks on a sponsorship with one company, it disadvantages other companies in that category. Not to put too fine a point on it, but... yeah!

To a sponsor, sponsorship is all about creating a point of difference from the competition. Through a sponsorship, they will make connections with their target market(s), meet their objectives cost-effectively, and position their brand.

If you are selling sponsorship, you are *selling* a point of difference. The benefits you offer in exchange for their money create that point of difference. There is no way to create a partnership with one company – while taking their money to help underwrite your costs – and to ensure a level playing field.

Some government organisations address this by calling for tenders for various sponsorships. On the outside, this may look fair, but it undermines all of the major tenets of sponsorship. It isn't partnership-oriented. It isn't about mutual accountability. It isn't about finding the best, most appropriate partner. And it sets up the appearance that you sell to whoever gives you the most money.

If you want to sell sponsorship, the first thing you need to accept is that there is no level playing field. That said, there are some things you can do to ensure that providing a company with some benefits that give them an edge with their markets is not the same thing as giving them preference to your government agency:

- ▶ Ensure that what you are selling is about meeting the sponsor's objectives with your program's target market. As all sponsors have different objectives and markets, some will be better suited as partners for a particular program than others
- ▶ Never, ever sell – don't even hint – that a sponsor will be able to influence public policy, tendering, votes, or any other sensitive area. If you make it absolutely clear that your sponsorships are about marketing return, not buying influence, other companies are far less likely to kick up a stink

The red-tape wrangle

This section is easy. Don't ever make a sponsorship offer – don't ever negotiate a deal – unless you, personally, have the authority to do that deal.

Decisions-by-committee and "I'll have to get sign-off by my director" make your organisation look bureaucratic, unbusinesslike, and create a major red flag for potential sponsors.

Get your sponsorship policy and procedures in order, signed off, and streamlined before you seek sponsorship. Sponsorship is a fast-moving business, so you have to be prepared to be both fast-moving and businesslike. There is no room for compromise on this.

Managing public expectations

One of the most problematic aspects of government sponsorship seeking is managing public expectations.

The fact of the matter is that many of the things for which you are seeking sponsorship are seen by taxpayers as threshold services. That is, they are services that should be paid for by government and not sponsored – there should be no need. That may not be reality, but it is perception, and as such, needs to be managed.

I am not an expert on public relations, but my experience tells me that you need to proactively manage public expectations about sponsorship, and that the more transparent you are about the financial need and the benefits of doing it, the better.

The one thing I want you to take away from this article is this: Once you start seeking sponsorship, you are no longer in the government business, you are in the sponsorship business. That's not going to be for everyone, and if it's not for you, then you're going to need to find some other way to make up the shortfall, because seeking sponsorship when you're under-prepared, under-skilled, and under-supported is a recipe for disaster.

If you liked this article, please feel free to pass it along. You may also be interested in...

- ▶ [*The Sponsorship Seeker's Toolkit 3rd Edition*](#) by Kim Skildum-Reid and Anne-Marie Grey, published by McGraw-Hill
- ▶ [*The Ambush Marketing Toolkit*](#) by Kim Skildum-Reid, published by McGraw-Hill
- ▶ [*The Sponsor's Toolkit*](#) by Anne-Marie Grey and Kim Skildum-Reid, published by McGraw-Hill
- ▶ [*"Last Generation Sponsorship"*](#) – A groundbreaking, free PDF article by Kim Skildum-Reid on best practice sponsorship and what it can do for you.
- ▶ [*Kim Skildum-Reid's Corporate Sponsorship Blog*](#) – Filled with advice, how-to, and opinions that most other industry pundits wouldn't dare commit to cyberspace, you are sure to find something useful in Kim's blog.
- ▶ [*Free Stuff*](#) – A collection of free templates and white papers, all downloadable free and with no sign-up from Power Sponsorship.

- ▶ Kim Skildum-Reid also offers sponsorship coaching, workshops, webinars, and in-house training for sponsors and sponsorship seekers, as well as strategic consulting for corporate sponsors and government. Contact Kim and her team on admin@powersponsorship.com for more.

If you have any questions, a gripe, or would otherwise like to reach Kim Skildum-Reid, feel free to drop her a line on kim@powersponsorship.com.