



sponsorship
academy

transcript

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LESSON 2:

**THE 5 KEY PRINCIPLES TO
SPONSORSHIP SUCCESS**

build your corporate
sponsorship the smarter way

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Tim: Welcome back to your Fit Sponsorship Academy digital training on building your Successful Sponsorship Portfolio the smarter way. I'm your instructor, Tim Wood, co-founder of the Academy.

Today's lesson is called 5 Key Principles for Sponsorship Professionals. Now, these are the things related to the business, the mindset, the driving force behind Sponsorship in Arts, Cultural and Community organisations — they range from understanding what a sponsorship generating business will look like, to why corporates sponsor, and the process that's proven to increase your success rate, and all of the key aspects that are vital to being successful in this business. It's important stuff. That's why we're leading off with these concepts. You'll find that they'll wind themselves through the course in various ways.

The first thing I want to talk to you about is the concept of understanding why corporates sponsor.

#1 UNDERSTANDING WHY CORPORATES SPONSOR

So let me pose a question - do you think corporates really want to sponsor other organisations? The answer is no, they don't. Why? Why don't corporates want to use sponsorship as a marketing tool? This is the crux of the course. Understand this and you get sponsorship. Corporate brands do not choose sponsorship as a marketing tool by choice. They choose it because nothing else has worked. They choose it because they've got a problem that traditional marketing hasn't solved.

This is how it works - imagine a marketer has a spreadsheet. It's their working document of their potential marketing mix - the money that they've got available to influence their target consumer to like, love or advocate for their brand, products or services. On the left hand side of this spreadsheet are the standard media channels available to them - TV, radio, print, digital, outdoor. On the far right side of the spreadsheet is sponsorship. They don't like this side. They don't want to go there and the critical reason why is that they are marketing through a 3rd party. In all of the other mediums (the traditional mediums we talked about), they've got control - control of time and place and content. With sponsorship they lose all of that.

Sponsorship is marketing. It comes out of a marketing budget. Corporates sponsor because they have a problem.

With sponsorship they are marketing through you or your brand. They are trying to get to your audience. They are trying to use your brand to influence their audience.

But here's the really good news: every corporate has a problem - some bigger than others. And that, for sponsorship seekers like you, means opportunity.

So the best sponsorships are where the problem is greatest. And those ones tend to revolve around issues with their brand – it might be perception, cultural alignment, recognition or values.

When a problem is transactional it's easy to put a measure on it, a metric around it, a dollar figure. But if you're a corporate and you have a problem with your brand, how much will you pay to fix it? The answer is 'whatever it takes'. And as a sponsorship seeker, or rights holder, that's the problem that you want.

So essentially you need to be a problem solver for corporates. As a matter of fact I'll take that one step further – don't even look for sponsorship where there's not a significant problem to be solved, because you're highly likely to fail. They'll not market through you by choice. They will not use a third party to market through, voluntarily.

So the journey you are on, and what this course will show you how to do, is to find the potential sponsors with the biggest problems, and to know how you can help them solve that problem. Once you've got that equation going - 'problem and solution' - negotiating the right deal will not be the issue. You won't be bartering over dollars.

Successful Sponsorship professionals become extremely good at looking at corporate brands and identifying their problem. So how do you do it? Later in this course we will walk you through a method to quickly uncover the macro challenges that any corporate faces. It's a tool that once you learn it, you can literally do on the way to work in the car or on the train. You see a potential prospect, you put them through the process and bingo, you will have an initial understanding of their core problem, how significant it is and then you can determine if you can help them solve it. It's a really smart way to start the conversation with a prospect. We use it. Our clients use it and it works.

This one tool can save you weeks and months of pursuing prospects that were never going to say yes - regardless of how you approached them - and allows you to zone in on the hot prospects so your time is productive.

Some of you may have heard of a guy by the name of Joe Girard. He's now an author and speaker. He's an old school guy with old school principles - he's a salesman. But the principles work. And he anchors his success in the very concepts of listening, understanding the problem and then building trust. He actually flips it around and starts with establishing rapport by sending greeting cards. Off the back of these principles in the 60's and 70's he became World's Greatest car salesman. No one to this day has sold more cars than Joe.

So the concept is not a new one. It's a very old one - it's just that most of us have forgotten how to do it.

So for now it's critical to understand this fundamental concept. Corporates sponsor because they have a problem. The business of selling sponsorship is helping solve a corporate's problem.

Sponsorship Professionals in the Arts, Cultural or Community organisations who can become problem or solution focussed have a far greater chance of success.

So, that's understanding why corporates sponsor. Let's move on to the second sponsorship success principle - Understanding where your sponsorship value is hidden.

#2 UNDERSTANDING WHERE YOUR SPONSORSHIP VALUE IS HIDDEN

People talk a lot about valuing, and how to value sponsorship and we'll certainly cover that off in great detail in this course, but what's important to understand first is the concept of what drives value. Knowing what drives value enables you to influence it.

Once you understand this little gem you will look at valuing sponsorship very differently.

There are 3 components to sponsorship value: your Brand, your Assets and your Audience.

All three elements are important and we'll work on each one through the course, but one of them drives 80% of your sponsorship value – your brand.

Your brand is full of tangibles and intangibles but let's be really clear, it's the intangibles that drive your value. The emotions. So the more that you can elevate those intangibles, that emotional value of your brand, the more dollars you will drive, full stop! Great sponsorship leverages emotion. And emotion sells. When you know the passion points of your brand (the intangibles) and where they come to life, you're halfway home.

Like I said, when corporates have a problem and that problem is a brand problem, such as brand perception, that's an intangible. It's hard to grab hold of. You can just hear the conversations that happen in a corporate boardroom... 'What's the problem? I don't know? People don't trust us'.

So the corporate pays whatever it takes to get out of that scenario. So the more that you can mark up your brand and lead with your brand, versus an asset, the higher value of sponsorship you will attract.

So for example, instead of approaching a prospect and saying ‘Hey, I’ve got an event that I want to talk to you about sponsoring’ (which essentially your saying you’re leading with your asset), what if you said, ‘I have a brand that’s incredibly impactful on your audience, do you think we should talk?’ So what you’ve done is you’ve led with your brand.

It’s impossible to solve a corporate’s problem with an asset. You also can’t solve it with your audience alone. You actually need the value of your brand to help solve their problem. You need to be able to lend the IP of your brand to a corporate, and it needs to work. Our advice? Lead with the brand ALWAYS.

A great example of the power of emotion in the sales process occurred back in the 80’s between the 2 good old rivals Pepsi and Coke-a-Cola. Some of you may remember the “Pepsi Blind Taste Challenge”.

What happened, in the face of declining sales, Pepsi did a really smart thing – they removed the emotion from the purchase of cola and challenged consumers to judge Coke versus Pepsi on taste alone. And Pepsi smashed it. 62% of consumers preferred Pepsi in their blind taste challenge.

But the story that’s not as well known is the research company that did a parallel trial but this time told consumers which one was Pepsi and which was Coke. Coke won hands down. What does that tell us? Coke at the time was doing a far better job of attaching emotion to their brand. Fun, freedom and zest for life.

When the emotion was taken out of the equation, Coke was at best on a par with Pepsi. When emotion was added back into the experience, by name alone, it also added incredibly strong brand preference. Emotion sells.

So now we've talked about why corporates sponsor and where sponsorship value is hidden.

So let's move onto the third key concept for sponsorship success.

#3 SUCCESSFUL SPONSORSHIP DOES NOT COME FROM A SOLO VOYAGE - IT COMES WHEN IT'S DRIVEN FROM THE TOP DOWN.

There are so many potential sponsorships in Arts, Cultural and Community sectors that simply don't get past first base because of a lack of internal alignment - which usually comes down to insufficient collaboration early enough in the process. In other words, the sponsorship manager or the equivalent, are not being supported or don't know to seek the support of the entire organisation, from the top down, and therefore working largely in isolation.

It usually happens like this. A sponsorship manager or CEO or President, is told to find some sponsors, because the organisation needs the dollars now. So they start canvassing the market for potential sponsors and through their passion and energy, they find one. Gold!

The opportunity is then explored and the rights holder is quickly exposed as not being ready for corporate sponsorship and the prospect evaporates. Worse still the opportunity to go back to this potential sponsor has gone for the next 18 months, as you get one chance in each corporate cycle. Corporates are largely very sophisticated businesses, packed full of intelligent people with strict brand and commercial KPIs.

Corporates will not give you money because you're a nice person or representing a good cause. Remember, you need to help them solve a problem in order to do business.

A failed sponsorship approach usually has one defining hallmark - too much energy is spent too late in the process on internal matters - scrambling to clean up the house, if you will, before the guests arrive at the front door.

Let's do a quick exercise - I want to pose some questions to you. And the first one is: Does everyone in your organisation from the chairperson down, have a thorough understanding of your Sponsorship Pathway Plan and they're ready to present with you at meetings when required?

The second question is have you mapped out, as an entire organisation, how corporate sponsorship will help you achieve your company's vision sooner?

And thirdly, are you crystal clear on which categories and which brands in those categories are going to help you reach your goals sooner?

If you answered not sure or no to any of these questions, then you are not yet ready to approach corporates - don't panic, that's what this course is designed to do.

The average sponsorship will take anywhere between 12 months and 18 months to bring to fruition. This is also part of internal collaboration and alignment. People in your organisation need to understand how long it takes to build a successful sponsorship portfolio.

Collaboration as a key principle will weave its way through this entire course. And it should start right now. Successful Sponsorship Professionals don't work in isolation. Start thinking about whose support, within your organisation, you will need to be successful on this project. Start right at the top and work your way down.

I'd suggest the key people you identify listen to select lessons in the course but certainly I'd recommend the first 2 to begin with. Seeking sponsorship is not a roll of the dice. To be successful it must be a really carefully planned, considered and collaborative exercise.

Later on in the course we'll walk through the essential tools that you need to help align your organisation, but for now, think collaboration as key.

So a quick recap: in the first principle we talked about why corporates sponsor. Then, we talked about where your sponsorship value is hidden and just now we've covered off the importance of collaboration.

So now it's time for success principle number four.

#4 A SLOW 'YES' IS BETTER THAN A FAST 'NO'.

This is a phrase we use a lot with clients when going through the process of selling sponsorship. Essentially what it means is an acknowledgement and an understanding of the power of time, relationship and information. It's a phrase but it's actually a larger concept. When you have all these things – time, the relationship and the right information, you have the opportunity to create a partnership. So how do you get them?

Let me use a dating analogy...

Imagine, if you will, that you're out at a friend's party and someone walks up to you and says "Hi, I'm Sam, a friend of John's (your friend's party)..." so far so good. Then they say "Do you want to go out on a date?" Obviously the answer most of us would give immediately is "no way, go away". Why? We don't know the person, therefore we don't trust the person, therefore there is no way we are going to invest time or energy in taking a massive leap of faith.

So now imagine that same person approaches you for the first time again, but this time they say "Hi, I'm Sam a friend of John's. I've heard lots about you - hey, can I buy you a drink?" What's your answer likely to be? Well, all things being equal, your answer will probably vary between neutral and positive. But, it's not a no! So in this example what Sam has achieved here is she's avoided a no, so the conversation is still alive. Now she can build a rapport and get to know a little more about the person. She's bought some time, so she can get some information.

It's a basic analogy, but the very same applies to sponsorship. At any stage of the initial talks avoid looking or hoping for a fast 'yes'. It won't happen. Corporate brands do not engage in impulsive sponsorship decisions. They engage in a very considered, often drawn out process. So instead of trying to rush to the end, look for the opportunity to take the person to the next stage in the process. Listen, question and then listen some more. Because until you understand their problem, you can't sell them anything anyway.

When we move into the Earn phase, the final module of this course, we're going to map out the potential sponsor's journey so you know at every moment what the next step is and who needs to be involved. A series of slow 'yes's' is the key here so avoid making leaps, but at the same time you've got to show progress. It's a fine balance but the mapping will help you a lot.

We've covered a lot of ground in these first four principles. Understanding these concepts we've talked about so far...

- Why corporates Sponsor
- Where Sponsorship value is hidden
- Using collaboration to drive your plan and
- The Power of a 'slow yes'

...will help you move through the course with a strong base of knowledge of why we recommend you approach sponsorship the way we do. So, the final key principle and I must say, in my opinion the most important one.

#5 SPONSORSHIP SUCCESS HAS A PROVEN PROCESS. FOLLOW IT AND YOU WILL SUCCEED.

We talked about this in lesson one, but I wouldn't be doing this lesson justice if I didn't talk to the importance of following a proven sponsorship process.

Sometimes in life it's fun and quite frankly, very appropriate to re-invent the wheel. We owe many great innovations of our time to people who dared to dream of what was possible, then set about breaking all the rules to achieve it.

But a reality check – An Arts, Cultural or Community organisation signing a new corporate sponsor is hardly revolutionary – it's happening around us every day. The reality of it is that because you work for an organisation in the not for profit sector, the core business of your organisation is highly likely to be incredibly impactful on the community and potentially society as a whole.

Aspects of the work your organisation does may require you to break the rules and discover new ways to achieve the same or different results – research, artistic expression, education – whatever it might be within your organisation. Your job is to generate funds to make that possible. Generate more revenue so your organisation can get on with doing their core business and make the community, or the nation, or the planet, a better place.

So the question you should be asking is, ‘is there is a proven process to help me generate funds to do that incredibly vital work’. And if there is – follow it. Sponsorship is a means to an end. It’s an enabler not a destination. It’s an outcome that contributes to your organisation making an impact.

So, a word of advice - do not risk resources trying to discover a new path to growing a successful sponsorship portfolio, when someone else has already done the hard work in establishing the quickest point from A to B. If there’s a highway that’s already been built, and it works, use it.

OK, that’s it for the 5 key principles of sponsorship success. Next up we’re going to dive in and start with the all-important Benchmarking phase. Talk soon.