

10 WAYS TO OBTAIN AND RETAIN SPONSORS

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Features

Your Roadmap for Success

When one of Samantha Swaim's Portland clients lost its sponsorship due to budget cuts, she scheduled a meeting with the former sponsor to discuss alternatives. Swaim, principal of Samantha Swaim Fundraising LLC, works exclusively on nonprofit fundraising events, and she thought there might be a way to salvage the relationship and still meet the needs of her client. In the end, the company used in-house resources to provide marketing tools and printing to the group and recruited employees to volunteer during the event. The bottom line: "They're returning with a cash sponsorship next year and will still do the volunteer components," Swaim says.

That kind of partnership is worth its weight in gold at a time when more and more companies are cutting back on sponsorship spending.

Meeting planners and convention organizers rely on sponsors to offset expenses for events. But the lingering recession has taken a heavy toll on such spending, and what remains often faces increased scrutiny for positive return on investment. The result is a pressing need for planners to be proactive, creative and knowledgeable when it comes to getting attention—and dollars—from potential sponsors.

"We counsel [association] clients to go beyond membership and attendance," in providing demographic data, says Dan Kowitz, vice president of IEG Consulting in Chicago, which counts PCMA, ASAE & The Center and several Western CVBs as clients. Organizers would do well to build that demographic database, Kowitz says, to create additional leverage in challenging times.

While some economists believe the recession is over, there's still an abundance of caution in corporate boardrooms. At best, businesses are beginning to see positive signs on the horizon. But they're still unlikely to plunk their names on a cocktail napkin. "It used to be that sponsorship was a necessary expense; now [companies] really need to justify that expense," says Judy Williams of Expert Meeting Consulting in Vancouver, B.C.

That sounds a lot like the return on investment conversations that have peppered the industry since the downturn began. "The biggest change is that partners are looking for more direct buyer/seller relationships," says Meg Fasy, vice president of sales for Meeting Professionals International. As a result, it's incumbent upon those selling the sponsorships to provide the right opportunities to obtain or retain those sponsors. "As their needs change, we need to change our offerings," she says.

With an iffy economic environment and return on investment top of mind, it may be more difficult to secure sponsorships, but it's not impossible. Following are some tips and reminders for obtaining—and retaining—your sponsors.

Do Your Homework

It may seem simplistic, but if you're not prepared, you won't get within sniffing distance of sponsorship money. It's up to you to sell your organization to the potential sponsor. To do that, you first need to know which companies are a good fit and why. "Packages don't need to be glitzy, they just need to be a good fit," says Melissa Lagowski of Big Buzz Idea Group in Chicago, whose West Coast clients include Seattle-based RSL Interactive's Festival Media.

Know Your Goals

Before you approach a potential sponsor, make sure you know the goals and objectives for the event at hand. Then develop a database of potential sponsors that could help meet those goals. Keep in mind that your job is to show the company how your event can help them reach their own business goals. Chances are, they'll be most interested in events that reach targeted markets and help them sell products, create visibility, differentiate them from competitors or enhance their own role as a good corporate citizen.

"Understand that it's a partnership and align your goals with theirs," Lagowski says.

Use a Road Map and Plan Your Route

Once you establish the goals for an event, decide who will handle sponsorship solicitation, what benefits will be offered to sponsors, how the funds raised will be used and terms for payment. Also decide how many sponsors you want to attract. Is one enough? Is 10 too many?

IEG for many years told clients that having a few big sponsors was better than a lot of little ones. In 2009, they revised that advice in light of economic realities and now suggest that clients offer their most valuable luncheons and sessions only to the biggest sponsors and let smaller sponsors vie for the rest.

A package with multiple levels of sponsorship also appeals to a broader range of companies. "Create a packet that outlines what's available to the sponsor and what the value is," says Robb Thornsberry, president of Infinity Events in Anaheim, Calif.

Another approach is to offer two similarly priced packages with different benefits, or a standard package with the option to upgrade by choosing various "premium" options at different price points. And don't forget to ask about any need for exclusivity to avoid embarrassing situations down the road.

Be Realistic

Remember that sponsorships differ from philanthropic fundraising. Companies may have a budget for both, but they expect to get something in return for sponsorships. Be prepared to offer it.

Also remember that current sponsors may be faced with budgetary restrictions, too. Thornsberry, whose clients are primarily associations, suggests offering a one-year deal for the highest value part of your program if a company is unable to commit to a full sponsorship.

Companies naturally want to know who will be attending your event. But they might also want to know who will receive pre-event advertising and promotions, where advertising might be placed on the Web and how much publicity you realistically expect to obtain for the event. Don't over-promise on media coverage, even if a TV station has told you they'll come to cover the event. Breaking news can override just about anything shy of a Presidential visit.

Be Persistent

Send your sponsorship proposals out early—and send them every year. Companies might be leery of a new event, but may jump on board later. Pitch the demographic of your audience and your organization. Potential sponsors can change marketing strategy, too. And when they do, they may call. Lagowski experienced that scenario with an event for Sony Playstation. After five years of pitching one potential sponsor with no reply, she got a call from the marketing director. "When they changed their event focus, we were at the top of their list," she says.

A new challenge faces those involved with the pharmaceutical industry. Recently instituted pharma codes include stringent controls on what sponsors can and can't do at medical conventions. Rather than throw in the towel on those sponsorships, IEG has hosted roundtables with medical associations and companies to figure out what's still permissible. So far, trade shows are still a safe haven, because attendance is open to everyone. "A booth is okay, but sponsorship for sessions is getting extra scrutiny," Kowitz says.

Go Local

Christine Pollack, president of the Monterey County Young Professionals networking group in Monterey, Calif., arranges bi-monthly networking mixers and business speaking events for the group's 580 members ages 21 to 39. On the surface, that might not seem to offer much to potential sponsors, but Pollack says the group has been successful in finding local sponsors that want to reach up-and-coming young professionals who are potential customers. Some donate products; some donate space for the events. "The nature of the event determines who sponsors," Pollack says. The biggest sponsorship to date was \$1,000.

"Don't overlook local resources," Lagowski says. "There may be fewer to choose from, but it also may be easier to align their goals with yours." Local companies also may have more direct control of marketing budgets and may be able to say yea or nay to your proposal more quickly.

Be Flexible

In meeting with potential sponsors, tell them what you're looking for and the details of everything that's available. "Shoot for more than what you need and create a spreadsheet so you know where you are on the event budget," Thornsberry says. That will tell you how much leeway you have in negotiations.

If you're in the middle of a multi-year deal with a sponsor who says they want to sponsor but can't because of budget cuts, ask if they'd be open to a special price for a one-year deal and defer the remainder of the contract until an agreed-upon date. They may be grateful for the flexibility and come back even stronger when their financial situation improves.

Do It Their Way

Some potential sponsors may request items not in your sponsorship packet. Listen anyway. "One sponsor wanted to chair the technical sessions [of an event] and sponsor either the dinner or the keynote speaker," Williams says. "You have to be willing to listen carefully and then work out the package [that they'll accept]."

Take a look at your event format. Has it changed at all in the past 10 years? Trying something new may garner new sponsorship, too. If your sponsor wants more direct contact with consumers and the program typically consists of lectures, consider changing that format to accommodate the sponsor.

IEG has even created special events within the event to accommodate sponsors. "If we know that XYZ company could benefit from a private session with a third of the audience at an event, we better make sure they can reach [that segment]," Kowitz says. You can design a private reception, luncheon or session for this segment of attendees, extend invitations and accommodate that need without impacting the rest of the program.

"You have to mold your style to the potential sponsor," Lagowski says.

Speak the Language of ROI

ROI is the elephant in the event room today. There's no set formula to determine it—and few ways for an organizer to measure it. But the organizer can and should take responsibility for delivering promised benefits and metrics like attendance numbers, and for initiating the ROI discussion. In Monterey, Pollack makes sure her local sponsors know how the events are being promoted, provides press and photo opportunities and hires professional photographers to ensure that sponsors are featured in a positive way at the event.

But in the end, only the company can define what success will look like. "Most do know what they want," Fasy, of MPI, says. "People are looking for very targeted solutions."

Follow Up

The end of the event isn't the end of your relationship—it's the start of the next event. "Follow-up is crucial," Fasy says. And it starts the next day, according to Greg Jenkins, of Bravo Productions. "Call the sponsor the day after the event and start getting commitments [for the next year]," he says.

An immediate call also gives you the opportunity to review the benefits the sponsor received, provide preliminary attendance data and learn whether the company got what it wanted from its sponsorship. And it gives you the opportunity to summarize what you did to rectify any glitches—even if they weren't resolved.

Lagowski retained one sponsor that had its booth shut down at a trade show by the Health Department for serving food without a permit. She was able to produce copies of e-mails with members of the sponsor's team urging them to get the proper permits for food in the trade-show hall. The client addressed the matter internally—and signed up for another year.

In the end, a successful sponsorship is one that's a win-win for both the event and the sponsor and is built over time through an ongoing relationship, not a once-a-year encounter. "It's not a 'one and done,'" Fasy says.

CREATIVITY COUNTS

To counter resistance about cash sponsorships, offer to meet with the potential sponsor to explore other options. "Strive for creativity that's different from their name on a napkin," says IEG's Dan Kowitz.

IEG helped FedEx construct a sponsorship for PCMA that was unique and business-oriented. It was a reusable FedEx shipping container that attendees could use to ship materials home from the convention at a discount. It also offered a discount on future business. "The packaging was the recognition, a unique giveaway, and provided a great service," Kowitz says. "It drove value for the sponsor and attendees, and future business use could be tracked."

Lisa Jennings, vice president of sponsorship for an HSMIA chapter in Florida, creates special events for sponsors. In one case, she sent attendees on a high-tech treasure hunt using an iTouch and a booklet that pointed them to clue locations. All clues were linked to the sponsor. The response was so positive that the company repeated the treasure hunt at three other, later hospitality functions.

Fundraiser Samantha Swaim in Portland got one sponsor to stage an in-house competition between its own departments to create unique baskets for a silent auction. Members of the department whose basket garnered the highest price at the event got free breakfast treats. Four employees even volunteered to work the auction at the event. The organizer didn't have to put out one penny for the baskets, and all funds raised went toward its programs.

Being creative is the fun part of selling sponsorships, MPI's Fasy says, because it provides a solution that helps the sponsor get the most bang for their buck.

Getting Started

Know your own demographic—show potential sponsors who your audience is and how it aligns with their goals. Plan ahead. "If you haven't lined up sponsors for third-quarter events in January, you're behind," says Greg Jenkins, partner in Bravo Productions in Long Beach, Calif.

Design multiple levels of sponsorship and do something special to get your top five prospects to notice your sponsorship package.

If your event is new, be sure you demonstrate who the audience is. Show the sponsor prospect who's coming or offer to do a pre-event questionnaire to help them determine if it's the right fit.

Once the sponsor is signed, communicate with them at every step of the way—before the event, during the event and after the event. "Follow-up is crucial," says Meg Fasy, vice president of sales for Meeting Professionals International.

Have a Plan B. If a sponsor cancels or you are unable to raise the desired amount of sponsorship dollars, know what you'll cut and what you'll keep without harming attendee value.

Why Some Sponsorships Fail

- Sometimes sponsorships just don't work out—and it's not always the fault of the organizer. Some typical reasons for failure include:
 - The CEO Syndrome, in which a top executive commits to a sponsorship without consideration of whether the event meets the company's marketing goals.
 - Sponsoring companies fail to do any promotion of their own to get out the word about their sponsorship.
 - The sponsor doesn't see a return on investment after one event and there's no long-term partnership with the group.
 - A company spreads its available sponsorship dollars too thin and gets little return on investment for any of the sponsorships.
 - The company gets no support from the event's own staff.

—From comments by Susan A. Friedmann, CSP, *The Tradeshow Coach*

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