

Sponsorship & Fundraising

Too often there's a blurring between "sponsorship" and "patronage" - a mistake which can lead to loss of vital financial support just when it is needed most.

Patronage is financial or material assistance given without the realistic expectation of any return.

Sponsorship, on the other hand, is a business deal and is expected to be to the advantage of both parties in the deal. It is an agreement or contract with terms that can be quite specific. Value must be given by both sides.

For its support, the sponsoring company expects tangible returns, such as prominent displays of logos, media coverage, public acknowledgements and representation at events and special occasions. It can also hope for more intangible benefits such as the improvement of its image in the public eye through its association with your Centre.

Gaining the sponsorship does not signal the end of the task. Having received sponsorship, the Centre then has an ongoing responsibility to the sponsor to ensure that they get the publicity and recognition that they are seeking from the deal. If so, this could herald the start of a successful relationship, but if not, the organisation cannot expect any further support from that sponsor.

State & National Sponsorship

Little Athletics Australia, as well as each Association, relies on several sponsors. These sponsors will be made known to you each season. It is necessary that Centres do not solicit these companies or a company with an opposition product for Centre sponsorship.

It is in the interest of all children registered with each Association that we "Support the Sponsor". Failure to adopt this attitude for parochial reasons may affect the benefits of sponsorship to many thousands of children in each State and in some cases throughout Australia.

Loss of sponsors mean loss of valuable revenue which would need to be recouped through registration fee increases.

Centre Sponsorship

One method of generating funds for your centre is through sponsorships. Sponsorships involve a relationship between two parties in which both seek benefits through an equitable exchange. Sponsorships are business agreements and usually involve a contract with specific terms and conditions on both parties. Value must be given to and from both sides. Generally the centre will seek funding, equipment or specific goods and services, while the sponsoring company will seek media exposure, advertising to a specific audience, public awareness, and representation at events and special occasions. The aim of the sponsor is usually to increase business.

It should also be noted that not all sponsorships involve direct financial assistance. Contra-sponsorships (also referred to as 'in-kind') are arrangements where the sponsoring organisation provides services, personnel or products, rather than money, in exchange for the benefit provided by the centre. For example, a printing company may produce flyers and print an annual report in exchange for newsletter.

There are two basic approaches to sponsorship. Pre-packaged sponsorships centre on providing different levels (e.g. gold, silver and bronze) of pre-determined benefits to the sponsor and

therefore are the same for different sponsors that purchase the same package. Alternatively, custom-designed packages contain specific customer-selected elements that facilitate the achievement of an individual sponsor's marketing goals. For both pre-packaged and custom-designed sponsorship arrangements, the benefits must be effectively communicated to the potential sponsors.

The funds available for sponsorships are usually a finite resource, and because potential sponsors are often besieged with requests, sponsorships have become very competitive. Consequently, centres should take a systematic approach to the sponsorship process to ensure a better success rate. There are three main phases in the sponsorship process – planning, selling and servicing.

Planning Phase

Planning and preparation are the keys to successful sponsorship proposals. If sponsorship is poorly planned then it is likely that there will be a loss of sponsorship opportunities and revenues, an uncoordinated approach to potential sponsors, possible conflicts between sponsors (e.g. between competing brands) and an overall poor impression created.

The centre must be explicit about its reasons for seeking sponsorship and then try to identify what opportunities it provides for potential sponsors. This requires the centre to clarify the benefits it has to offer sponsors and how those benefits may be linked to specific sponsors. Furthermore, the centre itself must be clear about what benefits (and costs) are likely to accrue to the centre. For example, has the centre established a realistic budget that includes the ongoing costs of servicing the sponsor?

The centre must then choose which specific sponsors it will target. This step should involve the centre developing some background information about potential sponsors (e.g. policies and sponsoring track record). A key consideration is matching the image of the centre with the image and product of suitable sponsors. Timing is also a critical consideration as the current financial environment may dictate the willingness of sponsors to get involved.

How to attract sponsors

Attracting sponsors involves communicating to potential sponsors that the centre has the capability to provide some useful service or opportunity for the sponsor and the relationship will be mutually beneficial. It is therefore important to be able to demonstrate a previous successful 'track record' where this is possible.

Potential sponsors want something in return for the money, equipment or services they provide as part of a sponsorship arrangement. For example, sponsorships can provide the sponsoring organisation with an opportunity to support a worthwhile project while communicating its message to its target customers or the public. However, the centre must be very clear how it will facilitate this opportunity for the sponsor and why sponsorship of the centre is the best means for the sponsor to receive the benefits it seeks. This generally means keeping accurate records of previous activities and events so they can be used to make a persuasive case for the centre. Sponsors tend to be interested in the following issues:

Attendance figures and nature of the audience. Attendance refers to the number of people who will see the sponsor's marketing message, and the demographic characteristics of that audience. Naturally, the greater the numbers of people who are likely to see this message and the closer the match to the demographics important to the sponsor, the greater the benefits for the sponsor.

The extent of positive media coverage about the centre. This is also a significant element that can influence sponsorship commitment. When preparing sponsorship proposals, the centre should establish past levels and values of media coverage and factor these items into the worth of the sponsorship. An invitation to the local newspaper or television station to do a community interest story could be timed to coincide with the sponsorship proposal.

Community support and contacts. The generation of additional sales and the opportunity to network that derives from participation in the sponsorship is another important point for sponsors. An event or activity that allows the sponsoring organisation direct contact with, and potential sales to its customers, is an opportunity for the sponsor to generate additional business.

Preparation of the sponsorship proposal

Although sponsorship proposals are usually written, they may also be produced on a video or CD (other technological advancements, e.g. the internet, present further alternatives for presenting the sponsorship proposal). The centre should determine which format is most suited to the targeted sponsor.

Regardless of the approach used, the sponsorship proposal should always contain the following types of information:

- Background of the centre — its history, image, membership.
- A contact person and details for the centre.
- Details about its programs, e.g. venue, dates, participant numbers, spectators.
- Future goals for the centre (e.g. where will the centre be in 3-5 years time?).
- The program budget — how much the centre will contribute (in the case of an event) and is asking for in sponsorship.
- The proposal – for what purpose the sponsorship is needed (e.g. \$5000 over three years for equipment upgrade).
- What the centre will be offering (e.g. advertising, promotional opportunities, television coverage, direct access to membership).
- The actual benefits for the potential sponsor (e.g. amount of press coverage).
- Include other information such as annual reports, financial statements, booklets, demographic figures on the centre's prospective audience, press coverage, and any other salient facts.
- In summary, the key issue for the proposal is to identify how the sponsorship relationship will help each organisation to meet its goals.

Planning for sponsorship

Before a sponsorship proposal is prepared, centres need to know:

- What is the centre's image among members and the public? (If image is poor, it may be difficult to secure a sponsor.)
- What companies match the centre's image?
- What is the centre's 'best' program with which to seek sponsorship?
- What opportunities are offered to the sponsor? e.g. sell the sponsor's product exclusively at events, media coverage highlighting their support, advertising and signage.

Determining the value of a sponsorship package

Determining the value of sponsorship packages does not follow a set formula and therefore sponsorship agreements may vary considerably from one another. For example, determining the value of items such as goodwill and exclusivity can be difficult, but should be included as sponsorship benefits. It is important to establish an approximate cost for what the centre is offering to the sponsor and subsequently, establish the price to the sponsor. One method to determine the value of a sponsorship package is to cost all the items listed in the benefits as if they were to be purchased separately, then add the costs of developing the package and servicing the sponsor. The price of the sponsorship to the sponsor can then be estimated at the actual cost of the individual sponsorship components (including development and maintenance) plus a reasonable margin.

SELLING PHASE

This is a critical phase in the sponsorship process. In this phase, the centre makes its initial contact with potential sponsors and the nature of this contact establishes the climate for subsequent negotiations and relationships. Because first impressions count, it is therefore important to ensure that this step is carried out professionally.

Presenting a sponsorship proposal

Most sponsorship proposals require a verbal presentation (although not all, so the written proposal must also be able to 'stand alone'). This a key component of the selling phase and is where centres can encounter difficulties. Many centres assume that because they have now finished the hard work, the proposal will sell itself, or because their program is so 'worthwhile' the sponsor will naturally support it. This is far from the case and the importance of the actual presentation should not be underestimated. Professionalism is vital so the centre should carefully consider who should make the presentation. If there are members who have the necessary experience and skills, then perhaps it would be best if they presented the proposal rather than the president. Dress and appearance are also key considerations.

Other issues to consider in this phase include:

- Find out who to send the proposal to (i.e. the decision maker) and ensure that the name and address is correct. Make an appointment to present the proposal in person. Face-to-face communication greatly enhances the likelihood of success.
- Find out the company's sponsorship criteria and history — what does the company want out of a sponsorship relationship?
- The proposal should be prepared to a professional standard (e.g. typed and well laid out).
- Information must be relevant, accurate and precise.
- Being well prepared when presenting the proposal is critical. The presenters should ensure that they have appropriate supplementary information to support the proposal and try to anticipate (and plan answers for) questions that may arise.
- Follow up after the meeting — thank them for the opportunity to present the proposal and then maintain contact.

Sample Sponsorship Letter

22 July 2012

Roy Johnston
Harris Park Motors
Harris Street
Harris Park NSW 2150

Dear Mr Johnston,

Re: Sponsorship Opportunity – Harris Park Little Athletics Centre

My name is Amanda Charles and I am the President of the Harris Park Little Athletics Centre (LAC). The Harris Park LAC is a very popular Little Athletics Centre based at the Harris Park Playing Fields, in Harris Park.

The centre has been running for nearly thirty years now and in that time we have had over 12,000 young people enjoy the modified track and field activities that we offer. The centre also has very strong links to its local community and to the Harris Park Primary School.

We are very proud of our achievements and the hard work of a lot of people connected with the centre has also led to on-field success. Last season, our centre had 25 members participate in the Little Athletics NSW State Championship, four of which brought home a medal. As you are probably aware, our athletes are featured regularly on the sports pages of the local papers.

There are however many expenses connected with running the centre and for funding we rely solely on our own fundraising events and the support of local businesses. We are seeking a new sponsor for the coming season and if possible, we would very much welcome the opportunity to speak to you about this. Harris Park Motors is a major presence in the area and we feel a partnership would work very well.

The major expense for the centre is paying our share of the upkeep costs of the facilities at Harris Park Playing Fields. In return for your sponsorship we would of course be willing to wear the Harris Park Motors logo on our centre shirts and for you to be listed as our key sponsor on all our centre literature, social media platforms and monthly newsletters. Additionally, we are hoping to find a sponsor that becomes as much a part of our centre as our members, therefore opening up opportunities for ongoing promotion.

We do hope that this is something you might be willing to consider. We would welcome the opportunity to present you with a formal proposal and speak with you further about this. I will contact you next week to see if you would like to arrange a time to meet.

Thank you for giving this request your consideration.

Kind regards,

Amanda Charles
Harris Park LAC

SERVICING PHASE

Once the sponsorship contract has been signed, in some respects the hard work has just begun. The centre should try to develop and maintain a long-term relationship with the sponsor. Developing a committed and consistent supporter should be the aim as it is far more efficient to maintain a relationship with existing sponsors rather than continually seeking new sponsorship arrangements.

Maintaining the sponsorship relationship

The relationship that is established between a centre and a sponsor should not be neglected after receiving the assistance. The centre should redouble its efforts to maintain a positive relationship with the sponsor, with ongoing communication being a key component. There is a range of ways to keep a centre's sponsors informed and involved:

- Thank-you letters. All funding should be acknowledged with a personal thankyou letter that appreciates the support and reiterates the need, intended use and sponsorship terms.
- Tagging the organisation in social media posts is a great way to reinforce the inclusion of sponsors and allows them to interact with the post and members. Publicising any aspect of the event/activity and that make reference to the sponsor should be shared with the organisation.
- Regular written progress reports. Reports documenting the progress of the centre, event, or athletes should be sent regularly to the sponsor (include photographs where appropriate).
- Take pictures at every opportunity and send them to your sponsor. What better way to show them what they are getting for their money. Encourage them to use them in their company marketing. Make your centre a real part of the sponsor's business.
- Personal visits and invitations. Representatives of the sponsor should be invited to participate in the centre's ceremonies and events (e.g. facility openings).
- Telephone calls. Committee members should be available to respond to calls from sponsors, and to initiate calls. It is important that centres are responsive to questions that show continued interest.
- Take an interest in the sponsor. Acknowledge its successes even if they are unrelated to the sponsorship agreement.
- Newsletters. Sponsors should be placed on the centre's mailing list, and be acknowledged in the newsletter, where appropriate.
- Recognition. Sponsors like to be recognised for the contributions they make to the centre. Linking a sponsor to well-publicised successes is highly prized by corporate marketing departments.

Sponsorship evaluation

The evaluation of the sponsorship needs to be a two-way review carried out on completion of the agreement or, in the case of long running agreements, on a regular basis (e.g. every three months). The centre evaluates the sponsor and its contribution and the sponsor evaluates the centre. The review should be open and frank and held when neither organisation is pressed for time.

The important factor is whether both parties achieved their goals. If not, then why not? Several questions should be addressed in this process, including:

- Did both parties meet their obligations?
- Was the sponsor invited to participate in the decision making? Did the partnership work?
- Did the sponsor achieve its objective? If not, why not?
- What improvements can be made for the future?

The centre should help the sponsor assess the value of the sponsorship by presenting them with a folder containing:

- copies of media releases issued
- details of media coverage, including copies of press items
- relevant details of the event, season or project, such as numbers of competitors, spectators
- any relevant photographic material
- copies of entry forms, posters and advertising
- a financial statement, budget and proposal for the following year

Adapted from material within the Australian Sports Commission Club Development Resource Library

Fundraising

Fundraising is the art of attracting fund for specific projects or Centre activities. All Centres regardless of size, will need to consider raising additional funds at some time or other. Indeed, for some smaller Centres, fundraising may seem like a never-ending problem. There is always an extra piece of equipment needed or uniforms to replace and the Centre committee may be reluctant to simply raise registration or membership fees.

Any fundraising activity should be for a particular need or project, especially as the public always responds better if they can see a specific purpose for their contributions.

It is usual for fundraising activities to be delegated to a special sub-committee, headed by a member of the Executive Committee. The treasurer of the sub-committee must prepare a budget showing projected results. Later these can be compared with actual results to determine the worth of the project. Adequate financial and records relating to the project must be kept.

Types of Fundraising

The ways to raise funds are only limited by the imagination, but here are some common categories for you to consider:

Donations: Local businesses may be prepared to contribute either money or good for specific purposes. Trophy donations and raffle prizes are always popular. Make a list of possible donors for once-a-year contributions.

Service Clubs: Clubs such as Rotary, Apex and Lions may see a project as worthy of their support, especially if it benefits the community.

Project Income: This is income gained from specific projects such as cakes stalls, meat raffles, sunscreen drive and chocolate drives etc.

Remember when conducting raffles that all state governments have strict controls on gambling. Little Athletics NSW Ltd. and its Centres do possess an authority to fundraise under the Charitable Fundraising Act. LANSW Charity registration number can be obtained from the LANSW office.

An advantage of self-help projects is that they can be fun as well as being highly profitable. A disadvantage is that they are labour intensive so they require a high degree of commitment from all members.

Ideas for Events

Trivia night – a great social gathering with facts and figures

'Athons' - consider a walkathon, readathon, skipathon etc. Because these have been around for a while, your Centre should try to come up with an unusual title to gain the public's attention. Consider a project that will benefit the community at the same time as you raise funds.

Outdoor movie night – charge entry fee and provide a BBQ for dinner

Disco – Fancy dress, themed etc

Fancy dress day at your LA's weekly competition day – gold coin donation

Cake stalls – low cost and easy to run and set up. All you need is the generous baking skills from your members

Bunnings BBQ – everyone loves a Bunnings sausage! Pick a day that you know the store will be busy and work out a roster for the day to share the workload.

After the Event

Now that your Centre has completed the event it is important to tie up the loose ends. Donors should received an official thank you letter and/or a certificate of appreciation. If the fundraising event was for the purchase of uniforms or perhaps an away carnival, include a photograph of athletes with your message. The donor might be able to display this. Maintain contact with them throughout the year. Your sub-committee will need to prepare financials statements for the Centre and comply with any requirements set down by government departments. Fundraising can be a very strenuous Centre activity but if handled properly it can generate an opportunity for strengthening the social and personal network of any Centre.