FIJI ASSOCIATION OF SPORTS AND NATIONAL OLYMPIC COMMITTEE

SELLING, SECURING AND SERVICING SPONSORSHIPS

A GUIDE FOR FIJI’S NATIONAL SPORTS FEDERATIONS
OBJECTIVES

After working through this guide and the workshop, National Federation administrators should be able to:

- Understand the role of commercial sponsorship in sport
- Develop a professional sponsorship program for their NF
- Prepare a sponsorship proposal and make your approach
- Identify and implement sponsorship selling principles
- Understand the importance of sponsor servicing and delivering promised benefits

The following guide had been produced to assist Fiji’s 39 National Sports Federations in the preparation of their sponsorship plans and programs. To be used to best effect, National Federations should complement this guide with the other learning tools provided - the workshop, PowerPoint presentation and practical workbook, which includes a sponsorship plan template that can be customised to suit the individual needs of the NF.

The guidebook explains the stages in developing a sponsorship program, from pre-proposal planning and proposal development, through to selling the proposal and servicing the sponsorship. All materials are endorsed by the Fiji Association of Sports and National Olympic Committee. FASANOC encourages National Federations to adopt and build upon the sponsorship guidelines and principles provided. For those National Federations that have existing sponsorship arrangements, the guide should present new ideas and concepts which will assist them in evaluating their sponsorship programs and improving the quality of their programs.
CONTENTS

SECTION 1: INTRODUCTION TO SPORT SPONSORSHIP 5

Sponsorship Defined 5
Background 5
Why Seek Sponsorship? 6
Sport Objectives 6
Corporate Objectives 6
Leveraging 6

SECTION 2: PRE-PROPOSAL PLANNING 7

Resources 7
Preparation 7
Targeting Potential Sponsors 8
Achieving the Right ‘Fit’ 8
Know your Target 9
Create a Short List 9
Stand out from the Clutter 10

SECTION 3: PROPOSAL DEVELOPMENT 10

Sample Sponsorship Proposal 10
Introduction/ Background 10
Sponsorship Description 10
Statistics 11
Rights and Benefits 12
Media Exposure 13
Results 15
Structure/ Cost 15
Calendar 19

SECTION 4: SELLING YOUR PROPOSAL 20

Cover Letter 20
Make your Approach 22
The Meeting & Presentation 22
Follow-Up 23
SECTION 5: SERVICING THE SPONSORSHIP

Definition 25
Basics of Sponsor Servicing 25
Adding Value 26
Servicing Notebook 26
Sponsor Protection 26
Evaluation 27

Summary 28

Complete the Sale 23
Sign an Agreement 23
Some Useful Advice 24
PART 1: INTRODUCTION TO SPORT SPONSORSHIP

DEFINITIONS

Sponsorship

‘A mutually beneficial exchange relationship’.

Sponsorship is a business relationship between a provider of funds, resources or services and an individual, event or organisation, which offers in return some rights and association that may be used for commercial advantage.

The Sponsorship Proposal

‘An offer to do business’.

The sponsorship proposal document should be a well presented and concise business document, which contains enough information for a company to gain a thorough understanding of what they are being offered.

BACKGROUND

Sport sponsorship has traditionally been treated like a charity. In the past 20 years there has been a shift from this charity mentality to a strategic marketing opportunity in the eyes of marketers and business people.

Goodwill is no longer enough; the marketing budget has become accountable and companies are looking for a return on their investment. Companies will sponsor sport when they perceive that they will get value for money and achieve their marketing objectives through opportunities to increase brand loyalty, increase visibility with their target market, change or reinforce their image, create customer traffic in their stores, stimulate usage, entertain clients or motivate staff.

Example

Coca Cola’s 2003 Rugby World Cup Sponsorship

Former Australian rugby union champion David Campese was used as Coca-Cola's ambassador for the 2003 Rugby World Cup. Campese appeared in IGA supermarkets around the country talking up Coca-Cola's stadium art promotion. Coca-Cola's General Manager, Rugby World Cup Group, Peter Trives, said Campese's role in the lead-up to, and during, the world cup was a wide-ranging one. ‘David is regarded as one of the world's and Australia's greatest-ever rugby players. The dynamic and breathtaking manner in which he played his rugby reflects key elements of the Coca-Cola brand,’ said Mr Trives.

Campese said that Coca-Cola is leveraging its sponsorship with a strong program of promotions across Australia. ‘Coca-Cola's promotions will appeal to Australians right across the country and they will offer unique opportunities to win exciting, money-can't-buy prizes,’ Campese said.
WHY SEEK SPONSORSHIP?

Sport Objectives

Every athlete/ team/ event/ competition needs:

- Money
- Goods
- Services
- Expertise

Corporate Objectives

Why do companies sponsor sport?

- Increase awareness
- Alter or reinforce image
- Identify with particular market segments
- Involve the organisation in the community
- Change consumer attitudes
- Build goodwill among opinion formers and decision makers
- Generate media benefits
- Create a competitive advantage
- Gain unique hospitality and entertainment opportunities

LEVERAGING

- Advertising
- Sales Promotion
- Public Relations
- Customer/ client hospitality
- Product Sampling

Leveraging = Spending Money
PART 2: PRE-PROPOSAL PLANNING

PREPARATION

Your NF should take the following initial steps in preparing its sponsorship plan:

1. Determine what your NF wants/needs from the sponsorship.

1. Identify what benefits your sport can offer. What exactly can you offer the company - how will they benefit from an association with your sport?

2. Set your sport’s sponsorship objectives and develop a sponsorship model that will work best

3. Create a broad list of potential sponsors - ensure the right ‘fit’

4. Research potential sponsors

5. Create a shortlist – select your target/s

ALLOCATE RESOURCES

Writing sponsorship proposals and making your approach can be time consuming. You need to decide:

- How much tailoring of the proposal will take place to meet the specific requirements of each potential sponsor?

- How much time and money will be spent on producing the proposals/making the presentations?

- Who will prepare the plan, write the proposal and make the presentation?

- Who will deliver the benefits to the sponsor?

Personnel

The best approach is to set up a small committee or working group (3 – 4 people) to lead and coordinate all sponsorship activities. Your NF will have a huge advantage if it appoints a marketing/sponsorship officer to service the sponsor and look after their needs. A portion of the sponsorship money can go towards providing a salary for this person.

The role of the sponsorship officer is to act as the main point of contact between the sponsor and the NF and to carry out all the operational activities required to ensure the benefits are delivered and the sponsor is kept happy. This person needs to be articulate, a good communicator, decision maker and administrator. By having a sponsorship officer it will reduce the burden on your NF’s president or secretary, allowing them to concentrate primarily on sport-related business.
TARGET POTENTIAL SPONSORS

When selecting companies to target, consider:

- Which companies are available for sponsorship? Check if they are involved in other sponsorship arrangements, or have been in the past.

- Which companies do you have a good (or any) relationship or link with? Identify key business and community members/networks in your sport. Do you know an employee of a company who has an involvement or interest in your sport? In a small country like Fiji your proposal is more likely to be seriously considered by a company you have a link with than a company that you approach 'out of the cold'.

- Which companies could provide what you are you asking for (money, value in-kind products or services)?

- Will your package of benefits be attractive to the potential sponsor?

Sponsorship ‘Fit’

When selecting your broad list of potential sponsors, it is important that you achieve the right sponsorship ‘fit’. Sponsorship fit is achieved when the image and values of the sponsor and the NF are compatible and both organisations have a similar target market (the consumers/customers of your NF and the company).

In order to target companies with the right market fit, you should:

- Match your sport’s target market characteristics (demographics [age, sex, income, education, size of household], psychographics [attitudes and opinions] and geographic location) with those of the company or brand

- Identify a link between your sport and the sponsor’s product/brand and how your NF has the ability and credibility to promote it

- Demonstrate in the sponsor proposal that this ‘fit’ exists

Example

GETTING THE RIGHT SPONSORSHIP FIT

ANZ Bank Fiji is a sponsor of two National Sports Federations - golf and lawn bowls. ANZ has chosen these two sports because of the suitability of their target markets. Characteristics of the target market include a mature age group, medium to high socioeconomic status and well educated. ANZ’s partnership with golf and lawn bowls allows them to access and expose their clients and customers (target market) to signage, branding, advertising and promotions.

The sport of golf also suits ANZ as it provides them with opportunities to network and build business relationships by hosting clients and customers to a round of golf. ANZ has found a suitable sponsorship ‘fit’ with both golf and bowls that delivers the desired benefits and target markets.
Know Your Target - Research Checklist

Once you have drawn up a list of potential sponsors for your NF, it is important that you find out certain things about them that will give you an advantage in preparing your proposal. The findings of your research will help to gain knowledge about the organisation and use it to tailor your sponsorship proposals. It will also help you to narrow down your list to the best 3 or 4.

- Identify the company’s sponsorship decision-maker (e.g., marketing manager). Ring and find out their details.
- Find out when the start of the financial year is for the company they are approaching.
  For example, if an organisation’s financial year ends in September, a request should be presented to them in July – August. If you present your proposal in October you will be too late!
- Make a list of the company’s current marketing activities
- Visit its stores or research its products
- Look at its Web Site or do an Internet search of the company’s name
- Look at its annual reports
- Acquire background information on the company – including its desired image, products and services, slogan, and corporate objectives.

Example

USE RESEARCH TO DESIGN A CLEVER, CREATIVE SPONSORSHIP PROPOSAL

The past business strategy of the ANZ Bank focused primarily on particular market segments and did not require wide reach across Fiji. However, with the recent introduction of their ‘rural banking’ scheme, ANZ have changed their approach in order to alter their image and extend their services provided to the wider community. In order to enter this new market, ANZ will need to adopt new marketing and communication strategies which target people in rural areas.

Potentially, this opens the door to sports – that are popular throughout the wider community – to create an attractive sponsorship opportunity by aligning their sponsorship program and target market with the strategic approach and marketing objectives of ANZ. This example illustrates how researching a company can help NFs identify opportunities for sponsorship.

Short List Your Targets

After creating an initial broad list of potential sponsors and then researching them, the next step is to narrow down the number of companies to three or four. Weigh up the results of your research, keeping in mind that you should be confident that the company will give serious thought to your proposal.
STAND OUT FROM THE CLUTTER

Many companies receive a large number of sponsorship requests each year, and plan their sponsorships 6 - 12 months in advance. For example, the ANZ Bank Fiji receives on average ten sponsorship requests per day! For your sponsorship offer to be successful, your NF needs to make sure that its proposal stands out from the rest by offering unique benefits, using creative and innovative ideas and approaches, and using background information on the company to tailor the proposal to their individual needs. Don’t send out a blanket letter to a whole lot of people who you think will want to give you money (there’s a good chance it will be thrown in the bin!).

Businesses in Fiji are willing and able to help sporting groups through sponsorship arrangements; however they must apply scrutiny when it comes to choosing who to sponsor. The commercial reality is that a single business can not help every group, which is why it is important that when you approach a company with a sponsorship proposal, you ensure you have taken some basic steps that can maximise your chance of success.

Example

SORTING THE BEST FROM THE REST

When ANZ are faced with around 50 sponsorship requests per week, how do they select the ones that go into the ‘possible’ pile and those that end up in the ‘trash’ pile? The following is a list of what ANZ looks for when sorting through sponsorship offers:

1 – The structure of benefits on offer:
   - Public Relations opportunities – amount of media exposure (print, television, radio, internet), other communications, involvement in presenting awards and prizes, involvement in community activities
   - Recognition plan – naming rights and signage, seats and tickets to events, branding opportunities through the sport, hospitality and networking opportunities

2 – The proposal that best matches their values and mission statement

3 – The bulk of requests consist only of a letter. Those that come with supporting information and documents (the proposal document) are automatically given greater consideration.

4 – Contacts – If the decision maker knows the person who has submitted the proposal it will have a better chance of being looked at more closely
PART 3: PROPOSAL DEVELOPMENT

SPONSORSHIP PROPOSAL

Having completed your pre-proposal planning, you should now be in a strong position to put together your sponsorship proposal.

Structure your proposal document in a concise manner. Ensure it is easy to read and the relevant information can be found. As a rule, your proposal should contain the following information:

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<table>
<thead>
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<tbody>
<tr>
<td>1.</td>
<td>Introduction/ Background</td>
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<tr>
<td>2.</td>
<td>Sponsorship Description</td>
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<tr>
<td>3.</td>
<td>Market Research/ Statistics</td>
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<tr>
<td>4.</td>
<td>Rights and Benefits</td>
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<tr>
<td>5.</td>
<td>Results</td>
</tr>
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<td>6.</td>
<td>Sponsorship Structure and Cost</td>
</tr>
<tr>
<td>7.</td>
<td>Sport Program/ Calendar</td>
</tr>
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</table>

1. INTRODUCTION/ BACKGROUND

You should begin your proposal with a brief background on your organisation/ event including its history, mission statement, core business areas and long-term goals.

You don't want to flood them with the entire history of your sport but you do want to provide enough information to give the targeted company a sense of what your NF does and why supporting it is both good for the community and good for their business.

2. SPONSORSHIP DESCRIPTION

- A concise description of the sponsorship opportunity:
  - What is being sponsored?
  - Sport/ NF/ event/ program description
  - When and where does it happen?
  - What is being requested from the sponsor?
  - For how many years is the sponsorship term?
3. STATISTICS

From your research conducted in the pre-planning stage, use relevant statistics to strengthen your case. Use statistics and facts to illustrate how the benefits of the partnership are in line with the company’s strategic direction and marketing objectives.

- Financial benefit - sponsors can deduct the sponsorship amount as a business expense from their taxable income
- Market demographics – define your membership, public and audience
- Identify niche markets* your organisation can deliver to (match the product or company to a particular audience)
- Help the assessor get a picture of your NF or event
- Identify cost benefits
- List past achievements of the sport to create a theme of success

* A niche market is an easily identifiable group of potential customers that can be targeted for direct promotion (eg. golfers, musicians, hobbyists, people who drink Pepsi, etc). It generally refers to a smaller portion of a larger market. By targeting a niche market, businesses are often trying to target a gap in a market that is currently not being provided for by mainstream providers.

4. RIGHTS AND BENEFITS

What will the company receive in return for their sponsorship? You need to detail the rights and benefits you are selling to potential sponsors. The ultimate outcome for the sponsor through your package of benefits is to achieve their marketing and sales objectives – all benefits should be in some way related to these objectives.

Make sure the benefits you are offering are realistic and that you can deliver them. It is a smart idea to offer benefits in line with your NF’s existing activities/ programs so you are not creating extra work for your NF and making promises which you may not be able to deliver.

If you do offer benefits associated with new activities (for example, naming rights to an event that you have not held before, or exposure through a monthly newsletter which you have not produced before) make sure you have the time, money and people to deliver them.

- Remember that you will be entering into a legal contract – both parties are legally obliged to deliver on their promises.
- Under sell and over deliver.
- Identify who within your NF is responsible for delivering the benefits, and/ or making sure they are delivered (see the section on ‘personnel’ on page 7).
Common benefits include:

- Exclusivity
- Sponsor recognition
- Media exposure
- Signage rights
- Branding
- Image association
- Promotion and advertising
- Public relations and publicity
- Access to your sport’s market segment
- Use of NF logos and athletes in advertising and promotions
- Networking opportunities
- Hospitality for client entertainment

Example

**NAMING RIGHTS**

Hutchinson Telecom’s ‘3’ Brand has naming rights of the Australian Cricket Test Series. They also receive exclusivity – ie. They are the one and only Telecommunications Company with an association with Australian Cricket. The official logo of the series incorporates the 3 logo, so whenever the competition’s logo is used, 3 gets exposure and is automatically liked with the Australian Cricket product.

“There are three main reasons Rowing Australia finds it difficult to attract significant sponsorship: we’re not on television, we’re not a high-profile sport with the media, and we have relatively low participation rates compared to the sports that enjoy mass-market appeal. As a result we have to promote other elements of our sport that potential sponsors might find attractive.”

Rowing Australia Chief Executive Officer, Andrew Dee
Media Exposure

Almost all corporate sponsors will expect to receive exposure and publicity through the media.

- **Radio:** Promotions, segments, interviews
- **TV:** Advertisements, news reports
- **Print:** Newspapers and magazine stories, advertisements, articles and reports
- **Internet:** NF website displays sponsor logo, news and promotions, and links to sponsor website

Lead with your star product

Offer the company the use of a star athlete or individual who embodies both the image you are trying to portray and the image of the potential sponsor. The company can use this athlete in their promotions and advertising campaigns.

Examples:

- In-store appearances – ‘meet the fans’, autograph signing sessions, get your photo taken with your sporting hero
- Athlete appears in their advertisements (see example below) – television, print or radio
- Athlete endorses sponsor’s product by wearing their clothing brand, displaying their logo or using their product or service

Example

Punjas have used members of the Fiji Rugby Team in an advertisement for Ceylon Tea
5. RESULTS

Illustrate how the partnership will help the sponsor achieve their corporate strategies and objectives.

For example, your sponsorship arrangement will act as a medium to:

- Enhance Awareness
- Access certain market segments
- Achieve wide reach in promotions and advertising
- Generate goodwill in the community
- Achieve strong exposure and branding
- Achieve sales growth

“It's a very tough market and the big corporations are understandably very focused on getting a return on their investment, image building and product sales.”

Basketball Australia Chief Executive, Scott Derwin

6. SPONSORSHIP STRUCTURE AND COST

Your sponsorship structure depends on your sponsorship requirements. For example, your NF may only be seeking one or two primary sponsors, or alternatively it may have a greater capacity to secure sponsorship and be seeking range of different sponsors at different levels. Your NF may require value-in-cash or value-in-kind from various sponsors, or a combination of both. If this is the case, you will need to determine the cost and benefits associated with each level of sponsorship.

An example of a tiered sponsorship structure:

- **Major Sponsor**
  - Premium level of sponsorship
  - Eg - $20,000

- **Middle-Level Sponsor**
  - Lower level of sponsorship
  - Eg - $5,000

- **Minor Sponsor/ Supplier**
  - May provide value in kind or lesser value in money
  - Eg - $1000
This type of tiered sponsorship structure will generally have one major sponsor, several middle-level sponsors and multiple minor sponsors, or suppliers, as demonstrated below.

**Setting a Value**

- If it is the first time you have approached a particular company for sponsorship, your asking price should start at a reasonable amount. Over time you can concentrate on building the relationship and the value of the sponsorship in order to increase your asking price.

- Budget to determine the level of funding you require from sponsorship and set the cost accordingly. It is vital that you demonstrate transparency by providing a breakdown of where the money will be spent.

- Do some research, find out what similar sponsorships are selling for, and price yourself competitively.

- Take into consideration the uniqueness (organisation, event, team, activity) of the sponsorship opportunity.

- Is your price subject to negotiation?

**Determining the Characteristics of your Structure**

Your NF must decide upon the different characteristics of each level of your sponsorship structure (if you require one), including the cost to the sponsor and benefits associated with each level. The cost (what you receive from the sponsor) is usually classified as either value in cash (money) or value-in-kind (products and services that off-set costs to the NF). Often companies will be more willing to provide value-in-kind sponsorship than value-in-cash.
Value in Cash (VIC):
  o Sponsor provides money

Value in Kind (VIK):
  o Sponsor provides certain products or services
  o Determine the products/services your NF needs:
    ▪ Reduced-price airfares (Air Pacific)
    ▪ Sports apparel (Asia Pacific Textiles)
    ▪ Sports equipment (JR White)
    ▪ Beer/Wine (CUB)
    ▪ Automobiles (Asco Motors)
    ▪ Insurance (Colonial)
    ▪ Telecommunications (Telecom, FINTEL)
    ▪ Sports Drinks (Fiji Water, Powerade)

Example

NATIONAL SPORTS FEDERATION – SPONSORSHIP OPPORTUNITIES

Platinum Sponsor ($20,000 – VIC)

➢ Exclusive competition naming rights
➢ Product exclusivity
➢ Prominent corporate signage at all games and events
➢ Recognition and logo in all NGF publications, including event programs, monthly newsletters and the annual yearbook
➢ Rights to use NGF’s marks and images for promotions
➢ Access to high profile players for promotions and advertising
➢ A reserved corporate box for 6 guests at each round of the season and finals
➢ Corporate box and 20 VIP tickets to the Grand Final
➢ Involvement in trophy presentation at the Grand Final
➢ Sponsor news, logo and link to appear on NGF website
➢ Regular media exposure through local television, print and radio
➢ Logo on media backdrop for all press conferences
➢ 2 tables and special recognition at the annual NGF presentation dinner
➢ A plaque recognising the sponsor’s contribution to the sport.

Continued next page…
Gold Sponsor ($10,000 – VIC or VIK or combination)

- Corporate signage at all games
- Product exclusivity
- Naming rights to selected NGF programs, events and minor competitions (to be negotiated)
- Recognition and logo in all NGF publications, including event programs, monthly newsletters and the annual yearbook
- A reserved corporate box for 6 guests at each round of the season and finals
- Corporate box and 10 VIP tickets to the Grand Final
- Sponsor news and logo to appear on NGF website, including a link to the sponsor’s website
- Logo on media backdrop
- 2 tables and special recognition at the annual NGF presentation dinner
- A plaque recognising the sponsor’s contribution to the sport.

Silver Sponsor ($1,000 - $3,000 VIK)

- Product Exclusivity
- Recognition and logo in all NGF publications, including event programs, monthly newsletters and the annual yearbook
- VIP tickets for 10 guests to each round of the season and finals
- 10 VIP tickets to the Grand Final
- Sponsor news and logo to appear on NGF website, including a link to the sponsor’s website
- Logo on media backdrop
- 1 table and recognition at the annual NGF presentation dinner
- A plaque recognising the sponsor’s contribution to the sport.
7. **SPORT PROGRAM/ CALENDAR**

- Provide details of your sport’s activities/ events
- Potential sponsors will want to know the details of events/ activities that they will be associated with
- Keep it simple – events, dates, location

**Example**

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 – 26 February</td>
<td>Pre Season Competition</td>
<td>Various</td>
</tr>
<tr>
<td>26 February</td>
<td>National Competition</td>
<td>Various</td>
</tr>
<tr>
<td>5 March</td>
<td>National Schools Championships</td>
<td>Premier Park, Suva</td>
</tr>
<tr>
<td>2 April</td>
<td>Level 1 Coaching Accreditation Course</td>
<td>Fiji Olympic House, Suva</td>
</tr>
<tr>
<td>15 – 20 May</td>
<td>High Performance Camp and Athlete Education Series</td>
<td>Sydney Academy of Sport, Australia</td>
</tr>
<tr>
<td>18 June</td>
<td>National Competition Finals start</td>
<td>Various</td>
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<tr>
<td>9 July</td>
<td>2005 National Competition Grand Final</td>
<td>Premier Park, Suva</td>
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<tr>
<td>16 July</td>
<td>Training Camp and Preparations for SPMG</td>
<td>Lautoka</td>
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<tr>
<td>16 August</td>
<td>Final squad announced for SPMG</td>
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<tr>
<td>25 July – 4 August</td>
<td>South Pacific Mini Games</td>
<td>Palau</td>
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<tr>
<td>4 – 10 October</td>
<td>Fiji Games</td>
<td>Suva</td>
</tr>
<tr>
<td>3 November</td>
<td>Annual Presentation and Awards Dinner</td>
<td>Holiday Inn, Suva</td>
</tr>
</tbody>
</table>
PART 4: SELLING YOUR SPONSORSHIP

Once the pre-proposal plan and sponsorship proposal are completed, you are ready to sell the sponsorship proposal. The next steps are to:

1. Write a personal invitation/cover letter
2. Approach the company with your proposal
3. Arrange a time to make a presentation
4. Follow-up through discussions and negotiations
5. Complete the sale through negotiation
6. Sign a sponsorship agreement

The proposal document should be clearly constructed so that it is clear, concise and easy to follow. Put in the extra effort so that your document is presented in a professional and attractive manner.

Make sure you adopt a personal approach by specifically tailoring a proposal to each company. This may include modifying the rights, benefits, and results to be more appealing to a particular company, or using different statistics to relate to a particular market segment. Don’t forget the simple things like changing the company names and logos in your proposal!

1. COVER LETTER

The cover letter that accompanies your proposal should be around one page long (no less). The letter will differ depending on your relationship with the business and the type of arrangement you are seeking, but should always make the proposition sound like an attractive and exciting opportunity for the company.

The cover letter should introduce your NF and the proposal you are putting forward, including the benefits on offer. Develop a link between your sport, the community and the company being approached by emphasising how your sport makes a difference in the community, why it needs support and how a partnership with the company can help meet joint objectives.

Example Cover Letter

Mr John Nicholls  
Manager  
Company Fiji Ltd

Dear Mr Nicholls,

My name is Henry Smith and I am president of the National Goodsports Federation. We are writing to you because we believe that Company Fiji Ltd shares our belief that sport can play a positive role in the community and in the health and welfare of the nation, from the youth through to professional sportspeople.

Continued next page…
We also believe that Goodsport has been a unifying force, drawing crowds of people from across the community as both participants and spectators.

The mission of the National Goodsports Federation is to ‘promote, organise and develop Goodsport for all, to ensure they have equal opportunity to compete at all levels, while upholding high standards of corporate governance’. At present we have four affiliated associations and 240 players across 20 clubs.

Our reason for approaching you is that we are seeking corporate partnerships with companies that also have a goal of seeing more people taking part in active sport and enhancing physical and social health in our community. In trying to identify those companies that share our goal it was hard to go past Company Fiji Ltd, which plays an integral part in enhancing the health and wellbeing of the people of Fiji.

While I will call you to discuss directly, we are seeking to establish a partnership with a strong local partner. A corporate partnership with the National Goodsports Federation offers a wide range of benefits that will actively assist Company Fiji Ltd in achieving its strategic marketing and sales objectives through extensive promotion and exposure. This would be achieved through:

- Naming rights to the National Competition
- Your company signage and marquees displayed during all rounds of the national competition
- A strong presence in our regular round-by-round newsletter that goes out to our 300 registered players, their families and our supporters with an endorsement for people to shop at the store that supports our club
- Regular media exposure through print, television and radio
- Your name and business name placed up on our sponsors’ honour board
- Corporate hospitality opportunities
- Participation in our pre-season launch
- A plaque recognising the contribution of Company Fiji Ltd to hang in your store.

We have developed what we believe is a great value-for-money package for a local business partner, which I would like to discuss further, together with a brief PowerPoint presentation.

We think this arrangement would provide your business with a real profile boost through our successful sport. The arrangement also has the potential to benefit the community through strengthening our National Federation and continuing to give participants an outlet to play team sport within Fiji.

Please find enclosed a detailed sponsorship proposal, outlining a description of the proposed sponsorship arrangement, the Rights and Benefits on offer, and National Goodsports Federation’s 2005 calendar of events.

I can be contacted during business hours on 333 3333, or on mobile 999 3333. I look forward arranging a convenient time to discuss this opportunity with you further.

Yours sincerely,

Henry Smith
PRESIDENT
NATIONAL GOODSPORTS FEDERATION
2. MAKE YOUR APPROACH

The next step is to deliver your proposal and cover letter to the company.

The best approach is always a personal one - and even better if you have an intermediary or someone who knows one of the company managers who can make the approach with you or perform the introductions.

The alternative is to deliver your proposal and then follow it up with either a visit or phone call.

Tips:

- Consider hand-delivering the proposal.
- Ensure the proposal is addressed and delivered to the right person (ring and check details).
- Form in your own head a short ‘lift speech’ that in 30 seconds can summarise what working with your NF can do for their business and why it will be so valuable. It may be all the time you get to make your pitch.

3. THE MEETING & PRESENTATION

As part of your initial approach you should attempt to arrange a meeting to discuss the proposal and make a personal presentation. A good method to use is a PowerPoint presentation which summarises the sponsorship opportunity and benefits. Remember that the organisation is giving you their valuable time – keep the presentation concise and relevant. The presentation should be no longer than around 10 slides and in whole the meeting/presentation should not exceed one hour.

This is your one big chance to make an impression. Make sure that the representatives from your NF are well presented and the presentation is conducted in a professional, positive, and friendly manner. Go into the meeting well prepared, and ready to answer plenty of questions. Explain how the business will benefit financially by being able to deduct the amount as a business expense from their taxable income.

It is important that your presenter is credible and it will help if they are an ambassador for the sport and well regarded in society. They should be energetic (but not over the top), enthusiastic, professional, well prepared and knowledgeable and able to answer questions well.

If you have a good relationship with the company, with any luck you may receive a positive response at the conclusion of the meeting. Make sure you have a copy of the draft sponsorship agreement to give to them to look over. Generally the company will advise that they will discuss the proposal further and contact you with their response.
4. FOLLOW UP

It is important that you follow up both the initial approach and the presentation. The key is to ‘be persistent, but not a pest’.

If you have sent the initial letter of offer by mail, wait until the company would have received it, and then contact them to make sure they have received the information and arrange a meeting time. Don’t wait for the company to contact you – they may not intend to! While you don’t want to make a pest of yourself in following up your approach too quickly, don’t leave it too long either.

After the meeting, if you have not received a final response after one week, make a friendly call to ask if there is anything further they would like to discuss, or any other information you could provide. Keep them thinking about your offer in a positive way!

5. COMPLETE THE SALE THROUGH NEGOTIATION

The company you have approached will weigh up all the information you have provided and either accept or decline your offer. If your offer is declined, it is important to remain humble and accepting of the company’s decision. It is important that you maintain a good relationship with them, as they may be able to come on board at some stage in the future.

Should your offer be accepted, congratulations – you have secured your NF a sponsor. However, although you have worked hard to get to this stage, it is crucial that for the sponsorship to survive and work that you service the sponsorship to a high level.

6. SIGN A SPONSORSHIP AGREEMENT

When a company agrees to take up sponsorship with your NF, a contract must be signed. The contract is a legally binding document.

By signing a sponsorship agreement, you enter into a commercial arrangement with a company and agree to assign various rights and benefits assigned to the sponsorship program.

The NF should have the contract prepared before the meeting/presentation. Take it to the presentation and have it ready to give to the sponsor should they agree to the sponsorship offer or request to see a copy of the agreement. The sponsor will then read over it and raise any alterations they want made to the document.

Contact FASANOC to obtain a template sponsorship agreement and for assistance in producing your individual agreement.
SOME USEFUL ADVICE

The following advice should be applied at all stages of the selling process.

Basic Rules

- Keep in mind that a company's sponsorship budget must be invested to impact positively on their bottom line. Explain to the company how your sponsorship arrangement will help achieve this.

- Justify the sponsor's investment – identify how they can return a positive bottom line result through increased sales.

- If your proposal stands out (offers good value for money, targets a critical market) it is far more likely to be successful.

Be Professional

- Always demonstrate professionalism and an understanding of what is required of a commercial relationship.

- Allow ample lead-time – the negotiation and planning involved to successfully enter a sponsorship takes substantial time, so allow a minimum of six months prior.

Build Relationships

- Educate business people about your sport.

- Build your sport's profile by attending and networking at business functions, community events and council meetings.

- You have a much better chance at securing a partnership with someone who you know or have met.

- The best relationships are the long-term ones where two parties work together to create new ideas.
PART 5: SERVICING THE SPONSORSHIP

SPONSOR SERVICING

- Keeping the sponsor happy
- Deliver everything you promised (and a little bit more)
- Regular communication
- Maximise sponsorship renewals
- Give your sponsor regular recognition and exposure

Definition

“Sponsor servicing is all the things you need to do to ensure your sponsor remains happy. It is everything from the two way communication (the relationship), right through to making sure the company’s signage is kept clean and in good condition, and is strategically placed at all appropriate times.”

NSW Department of Sport and Recreation, A-Z of running your club - fact sheets, 2002

SERVICING BASICS

- Clearly explain marketing rights and benefits
- Offer category exclusivity (Only sign up one Telecommunications Company, only one beverage supplier, etc.)
- Maintain regular communication:
  - Contact your sponsor at least once a week (phone, email, etc.)
  - Try to personally visit/meet with the sponsor once per month
- Protect your sponsor’s rights
- Deliver all the benefits promised and outlined in the sponsorship agreement
- Promote your sponsor through your NF and it’s activities
- Acknowledge your sponsor at every opportunity:
  - Media stories and interviews
  - All communications and publications
    - Newsletters, annual report, event programs, letterhead, media releases.
ADDING VALUE

By following these rules you will add extra value to your sponsorship and enhance the chances of having your sponsorship renewed for another year.

- Keep your sponsor informed of all your sport’s activities and include them whenever possible.
- Provide your sponsor with regular reports:
  - Provide regular reports to the sponsor which include copies of TV/ radio tapes and print clippings recognising to the sponsor, and details of all sponsorship activities.
  - Every 1 or 2 months.
- Provide a major review of the sponsorship that summarises all sponsorship activities and benefits provided and a financial report of how the sponsor’s funds were used. Find out when your sponsor plans to review the sponsorship (generally after one year) so you can provide them with the report before they conduct the review.
- Hospitality events – invite your sponsor to numerous social functions, corporate boxes at games, awards presentations, dinners, etc.
- Make the sponsor feel like ‘part of the family’.
- Ensure your NF stays well informed about the sponsor.

SERVICING NOTEBOOK

Develop a binder to file all sponsor information and plan your servicing activities:

- Contact information
- Organisational chart
- Sponsor’s agency contacts (advertising, PR, promotions, etc.)
- Servicing calendar
- Sponsor calendar
- Contact journal (log of all contact)
- General sponsor information

SPONSORSHIP PROTECTION

- Ambush Marketing (AKA parasite marketing):
  - Rival companies market their goods and/or services in ways that suggest they have a connection with the sport, team or event, where there is in fact, no connection (Australian Trade Practices Act).
EVALUATION

Evaluating the success of a sponsorship is an area that even a sponsor’s marketing personnel find hard to do. This is because it is difficult to measure whether changes and improvements have occurred as a direct result of the sponsorship – things such as awareness, exposure and branding, consumer opinions of the sponsor and its products and services, sales growth due to the sponsorship, and community goodwill.

The sponsor will constantly monitor the sponsorship and keep track of whether the benefits are or are not being delivered by the NF. A company will generally conduct a formal review of the sponsorship every 12 months.

Any assistance provided by the sport in evaluating the sponsorship will greatly assist the sponsor. If the NF does this, they are making the sponsor’s job easier and supporting their own cause by providing evidence of the outcomes achieved. If appropriate, the NF and the sponsor should sit down every 12 months (or when needed) and openly discuss the strengths and weaknesses of the partnership, and how it can be improved for both parties. This will ensure open communication between the two parties and allow the sponsor to raise any concerns that otherwise could eventually build up over time.

Methods of evaluating the sponsorship:

- Were sponsorship rights delivered?
- Press Analysis
- Branding Audit
- Return on Investment – put a $$ figure on the exposure received
- Ambush Marketing Audit

4 common methods (a combined approach is best):

<table>
<thead>
<tr>
<th>1. Exposure:</th>
<th>Seconds on TV, number of newspaper mentions, logo appearances, etc</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Attention:</td>
<td>Recall and recognition surveys</td>
</tr>
<tr>
<td>3. Cognition:</td>
<td>Opinions of consumers</td>
</tr>
<tr>
<td>4. Behaviour:</td>
<td>Resulted in increased sales?</td>
</tr>
</tbody>
</table>
SUMMARY - GOLDEN RULES OF SECURING SPONSORSHIP

1. Target the right companies and the right decision makers within the company
2. Have the right package in terms of benefits and realistic pricing
3. Offer things that you do already – preferably what others can’t
4. Stand out from the clutter
5. Be professional, present well
6. Be persistent - not a pest
7. Deliver on your promises and deliver on time
