



# MODULE 01

## SPONSORSHIP 101 TRANSCRIPT

## COURSE PLAYER OVERVIEW

This overview will illustrate for you the many ways you can use the course player to navigate the course. On the left side of the screen you will see the Course Index with a list of section / page titles for the module. This will provide you with access to all sections and pages of the module. Here you can scroll through the entire module; where you see drop arrows to the left of each module section, this means there are multiple pages to that section. You can click on that section to expand the pages beneath it. If you wish to 'jump' to another page, just click on that section / page title.

Changes in the menu items will orient you to where you are and where you have been. The screen that you're currently on will appear as a light blue highlight colour. Sections/pages you have visited will have checkmark to the right of that section/page in the menu. Pages you have not visited will not have this checkmark.

At the top of the menu, you will find a Search Box where you can do a keyword search of the entire module to find those topics and concepts you wish to review.

The page playback controls at the bottom of each content screen allow you to control the pace of the page content:

The screenshot shows the BftAr course player interface. On the left is a sidebar menu titled 'SPONSORSHIP 101' with a search icon. The menu lists the following sections with their durations:

Slide Title	Duration
Course Introduction	03:14
Module Introduction	01:00
Part 1: Sponsorship Essentials	07:59
Part 2: The Sponsorship Cycle	34:58
Conclusion	00:18

The main content area displays the BftAr logo (Business for the Arts / Les affaires pour les arts) and the title 'THE ART OF SPONSORSHIP Module - Sponsorship 101'. It features a large blue diagonal graphic with a silhouette of a ballerina. A button at the bottom of the graphic says 'Click here to begin the tutorial.' At the bottom of the player is a playback control bar showing '00:09 / 47:32 Minutes' and standard video controls.

- ▶ The Rewind button allows you to rewind to the beginning of the module.
- ▶ You can stop and start the content on each page with the Play / Pause button.
- ▶ To sequentially move through the module, you can use the Next and Previous buttons to advance or go back one page at a time.
- ▶ To the right of the Next / Previous buttons is a Playback Speed button for controlling the speed of the playback. It has 3 speed settings:
  - ▶ It is set by default to Normal speed
  - ▶ Clicking it once will increase the playback to 2X Fast Forward Speed
  - ▶ Clicking it a second time will increase the playback to 4X Fast Forward Speed. **Note:** *There is no narration audio playback when you are in 2X or 4X Fast Forward Speed*
- ▶ Clicking anywhere inside the Play Bar and/or dragging on the Pointer Arrow will advance or rewind both through the content of each page and through the module as a whole.
- ▶ The Volume button, to the right of the play bar, allows you to mute/unmute the playback volume.
- ▶ The Exit button allows you to exit the course.

On some pages there will be interactivities where you will be required to click on certain text or images to reveal content. On other pages, you may be required to download resources. At the bottom of such pages, you will have to click on a “Click to Continue” button to advance to the next page of the module.

On the final page of the module, you will see a Click here to close this unit button.

If you close the browser window and leave the course at any point, when you return to the course, you will be prompted to resume where you left off or you may choose to start the course on any page you choose from the main menu.

# INTRODUCTION

Welcome to Module 1 - Sponsorship 101 from Business for the Arts! The first module of “The Art of Sponsorship” course is comprised of 2 parts:

## **PART 01: Sponsorship Essentials, and PART 02: The Sponsorship Cycle**

This module is the essential first step towards successful sponsorship because it provides a solid understanding of how sponsorship works for you and your business partner.

## LEARNING OUTCOMES

Upon completion of this module, the participants should be able to:

- 1) Define what sponsorship means.
- 2) Identify the benefits of sponsorship to the arts organization.
- 3) Identify the benefits of sponsorship to the business partner.
- 4) Outline the four stages of the Sponsorship Cycle.

### SPONSORSHIP ESSENTIALS – INTRODUCTION

Once you understand clearly what sponsorship means, you will know where to focus your attention when talking to a possible sponsor, the kinds of return the business is likely to want and how your organization can provide answers to business needs.

Let's start by defining exactly what we mean by the sponsor relationship and then move on to explore the return that sponsorship gives to both the arts and the business partner.

#### What Sponsorship Means

“Sponsorship is cash paid, or an in-kind commitment made, to an organization in return for tangible business benefits (usually marketing-related).”

The art of sponsorship means that both the business partner and the arts organization benefit.

You can see how the sponsor's investment (whether in dollars or goods and services) is an exchange for some tangible business opportunities. We need to pay particular attention here to the word tangible. It is because the business receives tangible benefits from sponsorship that it is not eligible to receive a Charitable Tax Receipt. However, your sponsor is eligible to receive a business receipt and can claim sponsorship as a business expense.

### SPONSORSHIP VS. DONATIONS

What is the difference between a donation and a sponsorship?

When a business donates to an organization, it volunteers resources – financial, social, intellectual or time – and neither expects nor receives any tangible benefits in return.

It is this absence of “tangible” return that differentiates a donation from a sponsorship. Because there is no exchange of tangible benefits, the donor is eligible to receive a Charitable Tax Receipt.

It is very important that you are clear about the difference between a sponsor and a donor. You can see already that one of the major differences is in the type of benefit that each receives. Logo recognition is considered a tangible business benefit. Name recognition, whether for a donor or a business, is not a tangible benefit.

## **TYPES OF SPONSORSHIP**

What kinds of sponsorship are there and what does each offer?

A cash sponsorship delivers maximum flexibility.

With In-kind sponsorship, free services or products can reduce operating costs. Sponsored goods or services can add value by improving operations or audience experience at no cost.

Your partnership may be a combination of Cash and In-kind Sponsorship or one of these on its own. We want to draw your attention to an important distinction here. An In-kind Sponsorship is not the same as a Donation because your sponsor will be receiving tangible business benefits in return for their in-kind commitment.

## **SPONSORSHIP BENEFITS FOR THE ARTS**

In addition to a Cash or In-kind Sponsorship, what additional benefits does a partnership with your sponsor hold for the arts?

**New Skills:** Volunteer opportunities for business employees bring skills to strengthen the project and/or the arts organization.

**New Audience Members:** A sponsor’s employees, customers or client base represents potential new audiences.

**And finally, Potential New Sponsors:** Existing sponsors are a seal of approval that gives others the confidence to sponsor too.

Let's think about your sponsor's employees. They can give you skills and help to grow your audience; (the same can be said for your sponsor's customers and client base). However, employee can give you something else as well. While engaged with your organization as volunteers or enthusiastic audience members, employees can become real supporters for you in the place where they work. Further down the road, this can have a huge influence on whether or not your sponsor will renew the partnership.

Finally, one sponsor often leads to another. Just as contented volunteers will speak well about you, satisfied sponsors can also talk enthusiastically about the partnership to other businesses. And they may even provide warm introductions for you to potential new partners.

This broader sponsor-relationship is a real win-win for everyone. Anecdotal research through Business for the Arts shows that business people hone their own skills and even develop new ones by becoming engaged in arts projects. So not only do volunteers gain personally from this kind of initiative but, as an employer, your sponsor clearly benefits too.

Remember that, whether or not sponsors bring cash, a wider partnership with business always offers value to your organization. You just have to tap into it!

## **SPONSORSHIP BENEFITS FOR THE BUSINESS**

What are the benefits of sponsorship for the business?

Some key benefits include: building credibility and authenticity in the community, developing customer loyalty, increasing brand awareness, enhancing employee skills and deepening employee loyalty.

And lastly, there is the benefit of fulfilling the goal of supporting the economic and social well-being of the community.

We are bombarded with advertising all of the time and people are cynical about what they see and read. To be successful, a business really needs to break through all the clutter and be able to create meaningful connections with the customers it has or those it wants to have. A business benefits from sponsoring

the arts when its existing and desired customers are a match with the arts audience. In this way, the sponsor is able to bring added value to the people who buy its products or services now and to those who have the potential to do so at some point in the future. The genuine difference a sponsor makes can be demonstrable and can affect the well-being of the community in which customers and employees live. Arts sponsorship can play a truly important role in helping a business to show that it is believable, trustworthy and deserving of support in the place where it operates

Whether by making employees or customers feel more loyal, building new client relationships or getting people to talk positively about the company, arts sponsorship is an effective and fairly inexpensive way to do better business.

## **CONCLUSION**

Albert Einstein is attributed with saying “Imagination is everything. It’s the preview of life’s coming attractions.” In this section, we illustrated how sponsorship is a partnership in which the arts and business benefit each other. We hope you can also see that you can gain a lot more from the partnership by using your imagination to think just a little more broadly and creatively about the many different and strategic ways in which the arts can engage with business. When it comes to sponsorship, however, we have to be practical too. Getting our sponsors on board and managing them afterwards is an important skill to master. So how do you get started?

The next section of this module will give you an overview of the Sponsorship Cycle and all of the steps involved in finding, confirming and keeping sponsors.



# THE SPONSORSHIP CYCLE

In this section, we will provide an overview of the Sponsorship Cycle. Successful sponsorship follows a logical, step-by-step order and, throughout this section, we are going to look briefly at each of these stages in sequence.

### The Five Stages of The Sponsorship Cycle are:

#### Stage 1: **Planning**

Setting Goals and Objectives

#### Stage 2: **Prospecting**

Identifying Potential Sponsors

#### Stage 3: **Making the Approach**

Cultivating Prospects (Long-term)

Preparing Warm Leads (Short-term)

#### Stage 4: **Pitching**

Managing Points of Contact

Proposal Writing

#### Stage 5: **Stewarding**

Working Towards Long-term Partnerships

Future modules will take a more detailed look at each stage. First, though, it's important for you to think of sponsorship as one part of your organization's overall plans for sustainability. Next, we will explore our first stage of the cycle, Planning, which draws on some of the other essential components of good organizational management, such as the Business Plan and the Marketing Plan. While these two plans will likely be created by other people in your organization, you will refer to them when putting together your own Sponsorship Plan.

## STAGE 1 – PLANNING: INTRODUCTION

Planning is essential to successful sponsorship and it begins with the creation of the Sponsorship Plan, where you will set your goals and objectives. The plan will keep you on track to meet the sponsorship targets set by your organization. The good news here is that the art of sponsorship is neither about luck nor chance. If you have planned well, your chances of success will increase dramatically and, of course, you can control how prepared you are!

In this section, we will refer to the individual components that will help you create an effective Sponsorship Plan:

- The Business Plan
- The Sponsorship Targets
- The Marketing Plan

### THE BUSINESS PLAN

A three-five year business plan sets the direction of the organization now and for the coming years. The Business Plan will include cultural programming for the next year and beyond. It is usually created by your organization's Executive Director. The Business Plan sets out, in one place, information that will be helpful as you develop your own Sponsorship Plan. If your organization does not have a written Business Plan, you will likely have to speak to several different people to get the information you need. You can see already the value of having such a plan and, hopefully, you will be able to suggest that one be created for your organization.

When you come to write your Sponsorship Plan, you can check the Business Plan and determine which projects have the strongest appeal for sponsorship, as well as the dates around which you need to work. The Business Plan, therefore, helps to pinpoint those sponsorships for which you need to make short-term plans (i.e. sell within a year) and those for which you can take a long-term view. In the latter case, information in the Business Plan will enable you to start cultivating prospects now for sponsorships you are planning to sell much further down the road.

## **THE SPONSORSHIP TARGETS**

Sponsorship Targets will be lined up alongside Government Grants, Donations and Earned Income in the Business Plan to show exactly how much revenue the organization intends to generate. The Sponsorship Targets are an essential piece of information for your Sponsorship Plan and clearly represent the role you will be playing in your organization's sustainability. If a Business Plan is in place already, you will undoubtedly have played a part in setting these targets.

## **THE MARKETING PLAN**

Every Business Plan will encompass a Marketing Plan that will give you information about how, when and where your organization intends to showcase itself and its cultural programming over the coming year(s). When you are trying to sell sponsorship, it helps significantly if your target sponsors have heard about your organization already or are currently reading about it. Most importantly, the Marketing Plan will provide opportunities for broad exposure that need to be part of your sponsorship sales kit.

If your organization does not have a Marketing Plan, it may be necessary to sit down early with the person who is in charge of cultural programming and find out how, when and where the programming will be promoted. As with the Business Plan, it would be helpful to suggest that this marketing activity be written down for the year. This is the kind of information you need in order to sell sponsorship. We will be looking later at how you can deepen or expand your partnership with your business sponsor. It may be worth bearing in mind that assistance with the creation of Business & Marketing Plans could be projects for employee volunteers in your prospect's company.

## **THE SPONSORSHIP PLAN**

The Sponsorship Plan is a very important tool and one you need to create for yourself. The purpose of the plan is to set goals for selling your sponsorships, and these should be goals which you feel you can achieve in the time that is required. Your Sponsorship Plan will tie back into the organization's Business Plan, where the sponsorship targets you have to meet are recorded. When you are thinking about reaching targets, it is worth bearing in mind that, in addition to generating Cash Sponsorship, you can plan strategically to reduce costs through In-kind Sponsorship. This means identifying which products or services you could secure

through sponsorship to benefit your organization. The fair market value of In-kind Sponsorship should be included under targets in your Sponsorship Plan.

As you write individual proposals, you will be looking at the Marketing Plan to see how you can increase the benefits for your potential sponsor. This is how all of the plans work together. Tackling sponsorship sales with a written plan will make your job more manageable and, in later modules, we will be looking at how you can work with the Sponsorship Cycle to keep your plan on track. It is important to bear in mind that the Sponsorship Plan can be a short document and you may be able to get help from a Board Member or Volunteer in preparing it. You will like the feeling of control that planning gives you and will find that the time you invest in it is well rewarded.

### **WHAT DO YOU HAVE TO SELL?**

Once your overall Sponsorship Plan is in place you need to make plans for selling individual sponsorships. To start you need to identify what you have to sell and the following questions will help you with this (Click each question below for a further explanation):

### **WHO IS YOUR AUDIENCE?**

Your most important sales tool is your audience (physical and online) because it will match your target sponsor's existing and/or desired customers or clients. You have to realize that there is value in the fact that you provide a direct point of contact for your sponsor with those customers / potential customers in your audience.

### **WHAT MAKES YOU UNIQUE?**

Next, you need to be able to answer why a company should sponsor you rather than someone else. Every organization is good and all are striving to be the best, so what does your organization have that no one else has? Aim to show this in one or two sentences.

### **WHAT CAN YOU OFFER A SPONSOR?**

Finally, take some planning time to create The Big List of Benefits. This is a list of everything, across your entire organization, that you could offer to a sponsor. Having such a list will make it easy to mix and match your selling points in order to

create a customized proposal. Brainstorm with colleagues and board members about the Big List. Ask yourself what experiences you can offer a sponsor's guests that cannot simply be bought at the Box Office? What are all the points of contact with your audience that would be valuable to a sponsor? Try to be flexible and creative about The Big List. Like the Business Plan, this is a working tool and a confidential internal document. Always remember that businesses do not like "cookie cutter" proposals, nor do they generally like Gold, Silver and Bronze levels. Your greatest chance of developing a partnership is to show that you want to be a partner by creating a customized proposal. Use The Big List as a reference and consider it as a tool kit, which has value only as long as it is exclusively yours.

## STAGE 2 – PROSPECTING: INTRODUCTION

The second stage of the cycle is Prospecting, the term used for seeking or searching for potential sponsors. In other words, it's about deciding to whom you can sell your sponsorship. To start off, try to find a logical reason why you and your target sponsor would make good partners.

### SO, WHO CAN YOU SELL THIS TO?

With knowledge of your audience and cultural programming at your fingertips, ask yourself some obvious questions in order to identify a target sponsor:

- Which companies aligns naturally with your cultural program because of what they do or sell?
- Which companies are most invested in your community?
- Who is new to town, launching a new product or service?
- Who needs a positive image makeover in the community?
- Who needs to raise their profile and could you use a sponsorship with your organization to get people talking about that company?

### LET'S WIDEN THE NET

Now go off track a little in search of targets. Think about ...

- real estate developers
- construction companies
- hardware stores
- hotels
- restaurants
- dentists
- veterinary clinics
- shopping malls

Bear in mind, though, that some business segments (for instance, hotels and restaurants) generally prefer In-kind Sponsorship.

Companies that have a presence in the community, serve local clientele, and employ people locally are likely targets as they will want and need to support the community. Business for the Arts' research shows that a high proportion of companies, across all sectors, who do not appear to support the arts have simply never been asked!

Also, ask your board for suggestions of target sponsors that you can research more deeply.

## **WHERE TO LOOK**

Your local Chamber of Commerce will have plenty of local business information. Take a look at the Business Excellence Awards – both winners and nominees, past and current – on their website. These are companies of all sizes, who are trying to make their mark. The opportunity you have is to show how you could help them to do just that. Check the Members List to discover potentially untapped businesses in your community.

Additionally, review the House Programs and websites of other cultural organizations. Who are their sponsors? Consider how you could extend or reinforce the reach of those sponsors into the community. Remember that technology is a tremendous source of business information when you are prospecting. Use LinkedIn, Twitter, Google and other online resources when prospecting.

## **CURRENT SPONSORS, SUPPLIERS AND THEIR COMPETITORS**

Talk to your current sponsors and suppliers. They will each have an extensive network and may be able to offer valuable suggestions about other companies that could sponsor you. Also consider their competitors. These companies will potentially have an interest in you for the same reasons as your sponsors. While you would not offer them the same package as current sponsors, you could offer another with similar benefits. Of course you cannot do this if any of your partners have paid a premium to be the only sponsor in their sector.

## **IS IT A GOOD FIT?**

Once you have your list of targets, you need to dig a little deeper into each to confirm the obvious fit and find more information that you can use to shape your approach to them. Look at individual corporate websites and browse the Corporate Profile and Contacts on their website. Once you have found the appropriate person, use other available resources such as Google and LinkedIn to add to what you know.

File this information carefully. A Target Sponsor List will be a useful reference for you again.

## **STAGE 3 – MAKING AN APPROACH: INTRODUCTION**

The third stage of the cycle is about “Making an Approach”. While prospecting is about seeking out which potential sponsors are the best fit with your organization, this next stage in the cycle is about preparing prospects for an approach. This generally involves two strategies:

- Cultivating Prospects (Long-term)
- Preparing Warm Leads (Short-term)

While prospecting is about seeking out which potential sponsors are the best fit with your organization, this next stage in the cycle is about preparing prospects for an approach. Do you take a long-term view or do you approach prospects on your Target Sponsor List in the short term? The reality is that your organization probably needs a mix of both strategies and you will see how they dovetail in an extremely useful way.

### **CULTIVATING PROSPECTS (LONG-TERM)**

It is good practice in sponsorship to keep on building a pool of businesses you are simply getting to know better. This process, called Cultivation, is about developing relationships with prospective sponsors before asking them to sponsor your organization. It is so fundamental to success that business cultivation needs to be a priority for you and your organization.

We have noted already that the Business Plan provides information about cultural programs that are coming down the pipeline, which enables you to cultivate specific prospects now for particular projects later on

### **THE “GETTING TO KNOW YOU” LIST**

You need to make sure that you invest time cultivating only those businesses that are a fit with your organization and your audience. Look at the list you created in the Prospecting stage and decide which prospects you will plan to approach in the short term and which you will be cultivating over a period of time. This latter “Getting to Know You” group is like a subsection of your Target Sponsor List. And remember that you should be adding to your Target Sponsor List all the time.



Here are some ways to cultivate relationships with these prospects:

- Check if any of your Board Members knows anyone on your list and can cultivate the prospect along with you.
- Issue invitations to your events and make sure you meet the people who accept.
- Provide employee volunteer opportunities to prospect companies.
- Network at Chamber of Commerce and other business events in the community.
- Attend business events with a Board Member.

### **PREPARING WARM LEADS (SHORT-TERM)**

We recognize that you are always selling sponsorship. Over time, each company on the “Getting to Know You” List is becoming an increasingly warmer lead for you. In this way, your long-term cultivation strategy continuously feeds into the pool of warm prospects from which you can draw now. Because these are prospects with whom you are already establishing relationships, your chances of success in selling sponsorship are increased significantly.

For all prospects on your Target Sponsor List, here are some ways to ensure that they will be warm to your approach:

- Present your Target Sponsor List to your board and ask if anyone can make an introduction. Remember that your board is there to help and, especially, to use their influence with a potential major sponsor.
- Ask if a board member/volunteer will accompany you to the meeting and help you to make the pitch.
- Talk to satisfied sponsors and see if they can make introductions for you.
- Ask your suppliers for suggestions and if there is a real fit, ask if they will make an introduction for you.
- If you are unable to secure an introduction, ask a board member, sponsor, supplier or other business contact if you could simply use their name when approaching your prospect.

## **STAGE 4 – PITCHING: INTRODUCTION**

Once you have an introduction to your prospect or a warm lead, you will be ready to reach out to the business. The purpose here is to create a chance to make a pitch for sponsorship. Pitching is the fourth stage of the Sponsorship Cycle and, essentially, means presenting your opportunity in such a way that your prospect sees it as a real solution to a real need and so wants to buy it. If you are reaching out to make a pitch without an introduction to your prospect, simply focus on the fit between you and the real opportunity you have to sell. Remember that the purpose of the initial telephone call is to get a meeting, not to sell sponsorship. A meeting is by far the most ideal environment in which to make your pitch.

### **PREPARATION**

In preparation for pitching, you will want to write down exactly what the fit with your prospect is. From what you have learned about the company, write down how the opportunity you have to offer could provide an answer to a real need. For example, this could mean getting a new product into the hands of the right consumers or being able to reach people in a particular geographic area. This is known as a Preliminary Proposal and is simply a way for you to keep the fit in mind while articulating for yourself the solution you have to offer. The proposal will undoubtedly change once you have had a chance to talk to and, hopefully, meet with your prospect.

### **ENGAGING YOUR WARM LEADS**

As you reach out for the first time to engage with your prospect, there are a number of circumstances that can boost your confidence:

- Remember that if you come with an introduction you will be warmly received
- Alternatively, if you can use an individual's name in your opening remarks, you will increase the likelihood of a warmer reception.
- Finally, in the absence of an introduction or a name, a logical, business reason for your call will generate its own warmth.

Before making that first telephone call to your prospect, you can increase your confidence even further with a few more simple steps:

1. Write down your opening lines. Prepare a 30-second description of your organization and what you do.
2. Using the Preliminary Proposal as your guide, compose what you will say about why you are calling. Highlight the need you have identified and use the fit and the opportunity to show you have a potential solution to a real need. Remember that you are not trying to sell sponsorship at this stage, so avoid going into too much detail.
3. You might find it easier to prepare any questions you have beforehand.

During your actual conversation:

- You'll need to confirm whether you are on the right track regarding the fit and find out if they are open to considering new opportunities.
- Listen very carefully to what your prospective sponsor is telling you. This is where you will find out about changes you need to make to your Preliminary Proposal.
- Ask if you could meet to explore the opportunity together, because you would like to customize it.

Generally, your telephone call will have two possible outcomes:

- a request for information and/or
- a date for a meeting

While getting a meeting is the BEST outcome, it's very common for a target sponsor to ask you to send information. This is why it is helpful to have prepared a Preliminary Proposal in advance. After your conversation, you will be able to tweak the proposal appropriately before sending it off to your prospect. Next, let's discuss the Preliminary Proposal in more detail.

## **THE PRELIMINARY PROPOSAL**

We have said that creating a Preliminary Proposal helps to keep the fit and opportunity clear in your mind. It will also answer questions your prospect may have during your first telephone call and act as a helpful basis for the meeting you are aiming to secure. Because it is mostly a useful tool for you, consider holding

the Preliminary Proposal back unless your prospect actually asks you to share it. The reason for calling this a Preliminary Proposal is that you can only create a proposal that truly demonstrates how you can meet specific objectives after you've had a chance to talk to your prospect in some depth. A meeting allows both of you to explore more fully the possibility of a mutually beneficial partnership. Up to the point of meeting, you can only make an intelligent and informed guess about how the benefits you have to offer will meet the needs you have researched. You will acknowledge that you want to customize the opportunity if you are asked to send the Preliminary Proposal in advance of your meeting.

Your Preliminary Proposal should reflect the research you have done on your target sponsor and should not look as if it has been “cookie cut” so that it could have been sent to anyone. However, it should contain the following common elements:

1. A clear outline of the opportunity
2. A statement that shows the fit
3. An outline of the benefits
4. The sponsorship fee

Let's deal with some of the elements of the Preliminary Proposal in detail (Click each question below for a further explanation):

**The Opportunity:** The Preliminary Proposal will clearly describe exactly what you want your prospect to sponsor. You will show how that opportunity will help to meet an objective or resolve an issue you have found in researching your target sponsor.

**The Fit:** The Preliminary Proposal will show that you can deliver an audience that matches your prospective sponsor's existing customer/client base and/or one that your prospect wants to reach.

**The Benefits:** The Preliminary Proposal is the place where you will pull down some of the benefits from your Big List and also the creative ideas that you feel are particularly relevant to this sponsor. By reading the newspapers and looking online, you will know about the issues faced by the sector in which your target sponsor operates.

- If a new product is being launched, demonstrate opportunities for engagement with the audience/customers

- If the company wants more profile, be specific about the number, size and reach of print and advertising, as well as your online audience.

This will help you to prioritize the benefits that are most likely to appeal to this particular sponsor. All of this will demonstrate that your proposal is speaking directly to this company.

## THE COVER LETTER

The Cover Letter fulfills a different purpose from the proposal itself. Allow the proposal to speak about the opportunity and show the advantages of investing in a partnership with you. Use the letter to begin to cultivate a relationship and add new information:

- **Describe your organization and its year-round work.**
- **Provide precise information about your audience (size, age, etc.).**
- **Briefly restate the fit between your audience/organization and the company.**
- **Add a testimonial:** If you have a nice quote from a satisfied sponsor include it (but get permission first).
- **Acknowledge the Preliminary Proposal as a “stepping stone” only:**  
Since you cannot really know your target sponsor’s priorities or provide a proposal that truly meets specific objectives until you have had a chance to meet, the Preliminary Proposal is presented simply as a “stepping stone” to further conversation.
- **Include your contact details** (telephone, email).
- **Include a call to action.**  
Tell them when you will follow up with them.
- **Attach colourful pieces of print, for example, a brochure about your organization, a flyer about the cultural programming.**
- **Be gracious for the chance to send the proposal and keep the letter to one page if at all possible.**

## MANAGING THE MEETING

A meeting is a major step forward in developing a relationship with a prospective sponsor and, ideally, you will be accompanied by a Board Member or Volunteer. Here are some tips on how to manage this first meeting:

**First, be confident and prepared:** Re-read your research notes. Bring along prepared questions. Explain to your prospect that you have researched the company and have ideas to present based on what you have found out. Then say that you would like to hear first from them about their priorities, what marketing tools are working for them and what is not working, and how they measure the success of a partnership.

**Ensure you listen actively:** Take advantage of the meeting to really listen to your prospective sponsor. Take your cue from what is being said and use points raised to highlight solutions that may be in your Preliminary Proposal already.

**Also, be flexible and open:** It is very likely that you will need to make adjustments to what you have brought along based on the new information you are receiving. Perhaps different ideas will spring to mind about how you and your target sponsor could work together.

**Respect their time:** Keep to the time agreed for the meeting. Be unafraid to show your passion for your organization, but resist the temptation to take up all of the time in a discussion about what you do.

**Be sure to check for understanding:** Before you leave, check that you have understood what you may have been asked to do or provide.

**Then take the Preliminary Proposal away with you to customize it.**

**Agree on a date for submitting the Final Proposal:** Settle on the date on which you will send or present a revised, final proposal.

## **THE FINAL PROPOSAL**

The Final Proposal is simply a proposal that is responding to the exact needs and interests which your prospective sponsor has shared with you, usually following a meeting. It will reflect all of the adjustments which you needed to make to your Preliminary Proposal.

When amending the Preliminary Proposal, check that the benefits reflect your discussion. This may involve deleting some benefits and adding new ones. If your prospective sponsor demands significantly more from you than was covered by the sponsorship fee you originally requested, you will need to make adjustments to the benefits or to the price.

This Final Proposal is often referred to as the “customized proposal”, so it should accurately reflect the opportunity and benefits for this sponsor specifically. Make absolutely sure that you never include anything in your Final (or even Preliminary) Proposal that you may not be able to deliver.

Make sure to send the Final Proposal by the date agreed upon with your prospective sponsor.

## **CLOSING THE DEAL**

If the person you met was the decision-maker and you have revised the proposal as requested, there may be no further complications. If, however, your contact has received some pushback internally, it is likely to be about the sponsorship fee. Be prepared to negotiate and remember that you are not asking for a charitable donation. This is a proposed business partnership and it is reasonable to adjust what you are providing if the investment in your organization is going to be lower. If you are at an impasse, ask what it would take to make this work and decide whether you are able or prepared to provide what is required. Be flexible and reasonable. Perhaps, ultimately, a mix of Cash and In-kind Sponsorship might seal the deal satisfactorily for both of you.

## **THE FOLLOW THROUGH**

If your target sponsor agrees to sponsor you, it is good practice to follow up with a Letter of Agreement, reiterating the terms of the sponsorship and providing essential additional details such as upcoming deadlines, logo format required for print and your contact details. Sometimes, your sponsor may provide an agreement for you to sign.

The Letter of Agreement acts as a useful checklist for fulfilling your sponsorship commitments. It is also a helpful document to have on file because the business world is mobile and your contact may change during the term of your partnership.

## **MANAGING “NO”**

Business for the Arts research confirms that “no” usually means “not this time” or “not yet”. However, it’s always good to know why an opportunity has been declined, so do ask. Remember that you have invested time in getting this far, so keep the relationship warm by inviting your target sponsor to your event anyhow. Another chance for partnership may present itself at a more auspicious time further down the line and you already know a good deal about this potential sponsor that will help you fine tune your approach even more next time.

If it becomes clear that the “no” is categorical, write a note of thanks for the time that your prospective sponsor has given to you. Then move on to prospects with more likelihood of success.



## **STAGE 5 – STEWARDING: INTRODUCTION**

Stewardship may be defined as “the conducting, supervising, or managing of something; especially, the careful and responsible management of something entrusted to one's care”.

This is the most important stage in the Sponsorship Cycle and starts when the agreement is signed. It is also where most sponsorship fails. In the Stewarding stage of the cycle, you will be responsible for the business of managing the relationship with your sponsor and looking after their interests. The first role of good Stewardship, therefore, is to fulfill (and even aim to exceed) the terms of the Sponsorship Agreement.

### **FULFILLING YOUR PART OF THE PARTNERSHIP**

It is most important to ensure that you communicate openly and honestly with your sponsor:

- Avoid surprises and provide timely deadlines.
- Be transparent and maintain regular contact.
- Refer constantly to the Sponsorship Agreement to ensure you are delivering on the agreed terms.

### **THE SPONSORSHIP REPORT**

The Sponsorship Report is really the cornerstone of Stewardship. It can be short but must include facts, numbers, images, samples of print, testimonials, etc. Remember that the report shows your sponsor how you have met the terms of your agreement and is providing all of the information that justifies the investment made in you. Essentially, the document is making the case for why your sponsor should consider returning next year. If you can, try to get a meeting to present the report. When your sponsor is happiest and the partnership has demonstrated success, the time is right to approach the idea of a multi-year agreement.

### **STEWARDING FOR THE FUTURE**

If you live by the sponsorship mantra to “under promise and over deliver”, you will be guided towards everything you need to do to keep your sponsors satisfied. Remember that renewal is the true measure of sponsorship success. Your sponsors can become loyal and dedicated partners who can offer more than just cash towards the sustainability of your organization.

## **CONCLUSION**

Thank you for participating in BFTA's Sponsorship 101! Congratulations! You have now completed Sponsorship 101 and we wish you every success as you develop the good practices that will enable you to secure, keep and prosper with happy and satisfied sponsors.