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<th>Corporate sponsorship: helping hand or stranglehold</th>
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CORPORATE SPONSORSHIP

HELPING HAND

OR

STRANGLEHOLD

June 1997
WHAT IS CORPORATE SPONSORSHIP?

- COMPANY'S PRIMARY MISSION IS PROFIT

- SUPPORTED BY OTHER OBJECTIVES - INTEGRITY, EQUAL OPPORTUNITY, QUALITY, CORPORATE SOCIAL RESPONSIBILITY

- SUPPORT FOR COMMUNITY PROGRAMS TO ENHANCE WELL-BEING OF SOCIETY

- CORPORATE SPONSORSHIP IS A MANAGEMENT TOOL TO MEET SOCIAL RESPONSIBILITY OBJECTIVE

- CORPORATE SPONSORSHIP VS A&P
  - Sponsor does not "manage" event
    + almost always non-profit organization
    + cause/issue supported/shared by sponsor eg safety, environment
    + arts, education, charity
  - A&P - marketing sponsorship
    + meeting specific marketing/sales objectives
WHY CORPORATE SPONSORSHIP?

- CORPORATE INTEREST IS TIED TO WELL-BEING/INTEREST OF SOCIETY
- TOGETHER WITH GOOD BUSINESS PRACTICES, HELPS BUILD PUBLIC ACCEPTANCE
- RESPOND TO GOVERNMENT AND COMMUNITY EXPECTATIONS
- GENERATES FAVOURABLE PUBLICITY/EXPOSURE
- ADDS TO REPUTATION, MARKETING POWER AND CUSTOM
- BUILDS GOODWILL
HOW DO WE SELECT PROGRAMS?

QUESTIONS WE ASK:

- Is program unusual, creative?
- Offers wide reach and attracts public support?
- Reaches out to important target audience(s)?
- Able to generate media interest?
- Strong identification with Esso?
- Generates government patronage/goodwill?
- Lends itself to A&P opportunity?
- Any employee benefit/involvement?
- Opportunity for interaction with government, business and community leaders?
- Is it non-political/religious/controversial?
- Does project partner have a good reputation?
- Is project partner able to deliver results?
WHAT A SPONSOR EXPECTS

- AGREEMENT ON SPONSORSHIP BENEFITS
  - acknowledgement in publicity materials
  - hosting/co-hosting
  - invitations/bloc bookings/other courtesies

- INVOLVEMENT IN RELEVANT PARTS OF PROGRAM
  - safeguard/maximise sponsorship benefits

- OPPORTUNITY TO OFFER SUGGESTIONS TO ENHANCE PROGRAM
  - NY Phil example: from concert hall to National Stadium

- OPPORTUNITY TO SEE/AMEND COLLATERALS BEFORE PRODUCTION

- DISCIPLINE IN PROJECT MANAGEMENT & ACCOUNTABILITY
  - successful program execution
  - meeting agreed objectives
WHEN A SPONSOR'S NIGHTMARE MIGHT RESULT

- Little regard for sponsor and his requirements/suggestions
- Project partner works program/materials independently of sponsors
- Poor coordination/execution
- Failure to meet agreed objectives and final product/program quality
WHAT'S IN IT FOR REQUESTING ORGANIZATIONS?

- FUNDS TO HELP RUN EXISTING/ADDITIONAL/BETTER PROGRAMS
- STATURO OF SPONSOR ADDS TO STANDING AND CREDITABILITY OF ORGANIZATION/PROGRAM
- ACCESS TO ADDITIONAL RESOURCES/MARKET
- LIKE-MINDED PARTNER - SHARED OBJECTIVES, ENHANCES PROGRAM

IN SHORT - A HELPING HAND
EXPECTATIONS OF REQUESTING ORGANIZATION

o ABILITY TO OPERATE INDEPENDENTLY, PROFESSIONALLY

o NEGOTIATE SPONSORSHIP BENEFITS:
  - appropriate acknowledgement
  - participation/involvement of sponsor during event
  - cater to sponsor's requirements eg tickets, employee participation, guest invitations etc

o SPONSOR TO OFFER ADDITIONAL HELP/RESOURCES TO IMPROVE PROGRAM
WHEN A STRANGLEHOLD MIGHT RESULT

- UNREASONABLE SPONSOR DEMANDS
  - sponsorship benefits disproportionate to contribution
  - interference with artistic/professional integrity

- SPONSOR THREATENS WITHDRAWAL OF SUPPORT TO FORCE AGREEMENT
COMMON PROBLEMS

MANAGING EXPECTATIONS
- different perspectives and interpretation of each party's expectations

OVERSELL ON PART OF ORGANIZATION SEEKING SPONSORSHIP

MISCOMMUNICATION

INEXPERIENCE OF ONE OR BOTH PARTIES

TOO MANY PLAYERS INVOLVED

PERSONALITIES

UNEXPECTED PROBLEMS COMPLICATE MATTERS
AVOIDING PITFALLS

CHECK OUT SPONSOR/ORGANIZATION'S REPUTATION

HARD BARGAINING UP FRONT

SUMMARIZE AGREEMENT IN WRITING

- some companies insist on contracts
does not solve all problems

AVOID PROJECTS WHICH:

- are too ambitious
- have multiple sponsors and organisers
ELEMENTS FOR FRUITFUL PARTNERSHIP

1. Measurement of success - apply 2-way test
2. Success is mutually beneficial partnership
3. Consultation between/among parties
4. Respect for each other's needs/sensitivities
5. Relationship marked by trust and honour
6. Companies in it for goodwill - more help than stranglehold