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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?
- Adds to desired Esso corporate image?
- 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
- STATURE 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

- ABILITY TO OPERATE INDEPENDENTLY, PROFESSIONALLY

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

- 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
- contracts do not solve all problems

AVOID PROJECTS WHICH:
- are too ambitious
- have multiple sponsors and organisers
ELEMENTS FOR FRUITFUL PARTNERSHIP

- MEASUREMENT OF SUCCESS - APPLY 2-WAY TEST
- SUCCESS IS MUTUALLY BENEFICIAL PARTNERSHIP
- CONSULTATION BETWEEN/AMONG PARTIES
- RESPECT FOR EACH OTHER'S NEEDS/SENSITIVITIES
- RELATIONSHIP MARKED BY TRUST AND HONOUR
- COMPANIES IN IT FOR GOODWILL - MORE HELP THAN STRANGLEHOLD