



City of
Greater Geraldton
a vibrant future



Our Club Rules!

Club Makeover Program

DEVELOPING A SPONSORSHIP PROSPECTUS

GUIDELINES FOR CLUBS



Department of
Sport and Recreation



City of
Greater Geraldton
a vibrant future





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STEP I: SELF ANALYSIS

Before you can start, your club needs to conduct an audit or self-evaluation of its activities and budgetary position.

Issues for consideration:

PURPOSE OF SPONSORSHIP

What is the purpose of the Sponsorship? This could include ongoing general revenue, funds to host a special event, fundraising for a major purchase, etc. If you don't know why you are raising funds, it will be difficult to answer any of the following questions.

DOLLAR VALUE OF SPONSORSHIP NEEDED

How much are you hoping to raise? While it's fine to aim high, you should also be realistic. The dollar value will likely be determined by the purpose outlined above. Without a specific, measurable and realistic goal in sight, it's difficult to get anyone motivated to raise funds.

YOUR CLUB BRANDING

Conduct an honest self-evaluation of your club's branding and image, and analyse how you present your club to your stakeholders and the general public.

How do the public perceive your club? What are your activities? What marketing do you currently do? Do you have a logo? A website? Consistent messaging? How professional and organised do you appear?

Your club's image will either support or undermine your efforts, so consider it carefully.

TIME ISSUES

What's the timelimit on your Sponsorship offering? Are you offering Sponsorship on a one-year, three-year or indefinite basis? Be specific with your time limits to avoid confusion.

Allow sufficient lead-time. Depending on what you are asking for, the assessment, negotiation and planning involved to successfully manage a Sponsorship takes substantial time. If you need the Sponsorship dollars for an event in November, for example, you may need to start as early as February or March, depending on the size and scope of your needs.

HOW THE CLUB WILL MEASURE SUCCESS

If you manage to raise 80% of the target amount, will that be enough? Is there a Plan B? What will you do if you don't raise the full amount?



STEP 2: UNDERSTAND WHAT YOU HAVE TO OFFER A SPONSOR

Before you can approach any Sponsors with a Prospectus, you will need to understand what you have to offer. This will help you clarify what types of organisations to target.

In general, there are four areas to consider:

YOUR CLUB ATTRIBUTES

What does your club do that is special? What will you bring to the table that could be of value to the Sponsor?

These attributes are your club's strengths and skills, your mission statement, your activities or programme. These attributes are the elements that make your club unique.

For example, if your club is a sports team that draws fans to its competitions, Sponsors could reach many people at those events. A club that is based around civic involvement, such as a club that aims to provide charitable assistance to the area, can attract a wide range of local Sponsors who wish to give back to the community. If your club wins lots of awards and competitions in a particular field, this might be attractive to potential Sponsors in businesses related to that field.

YOUR TARGET AUDIENCE

Do you understand who your target audience is, and how/if they overlap with the Sponsor's target audience? Take time to understand your audience and what it is about them that will appeal to a potential Sponsor.

MARKETING INITIATIVES

What marketing activities or initiatives can you offer your Sponsors? What would suit their needs? For example, a company logo on a uniform; naming rights at an event; coupons or merchandising; exhibition space; free tickets; etc.

BENEFITS FOR THE SPONSOR

What other benefits can you offer your potential Sponsors? Benefits could include increased sales, improved goodwill, tax deductions, community engagement, corporate social responsibility, employee benefits, etc.



STEP 3: DETERMINE YOUR SPONSORSHIP OFFERING

At this stage, you know the amount you would like to raise, what it will be used for and what your club has to offer a Sponsor. Now you can put it together to create your Sponsorship offering.

MULTI-TIER SPONSORSHIP

Most organisations today have different tiers of Sponsorship. This allows clubs to target a wider range of Sponsors, from small businesses with limited funds up to large organisations with deeper pockets and a corporate social responsibility to give back to their community.

DOLLAR VALUE OF SPONSORSHIP TIERS

If you are hoping to raise, for example, \$50,000 in total, how will you accomplish this?

1 × \$50,000 Sponsor

or

2 × \$10,000; 8 × \$2,500; 10 × \$1,000

or

1 × \$10,000; 3 × \$5,000; 5 × \$2,000; 10 × \$1,000; 10 × \$500

All of these examples generate the same outcome, but which is more likely in your individual situation? Is your club more likely to attract 1 large Sponsor, or many different Sponsors of varying contributions?

Determining your Sponsorship tiers and dollar value will depend on the type of club, the industries your prospective Sponsors are in, and the value you can give each Sponsor in exchange for their money.

Price yourself competitively. Find out what similar Sponsorships are selling for. Potential Sponsors will put their own value on your proposal. If your offer is cost effective or unique, you are in the running.

A good general Rule of Thumb is to limit the Sponsorship Tiers to 3 or 4. This gives potential Sponsors a good range of options without giving too much choice. Many clubs also like to name Sponsorship Tiers, such as Platinum, Gold, Silver, Bronze, etc. as these are instantly recognisable and self-explanatory.



THE FEATURES OF EACH SPONSORSHIP TIER

What does each tier give to the Sponsor in return for their cash? Obviously, a \$10,000 Sponsorship should deliver more features and benefits to the Sponsor than a \$500 Sponsorship.

Be very specific in your offering for each tier. Nothing is guaranteed to undermine your Club's success than a dispute over undelivered benefits or value.

Brainstorm all the creative ideas you can think of for your Sponsorship offerings. Ideas might include:

- Naming rights
- Exhibition space
- Complimentary tickets
- Putting company logo on advertising/uniforms/giveaways/newsletters
- Coupon or merchandising giveaways
- Co-branded advertising
- Signage at events
- Speaking opportunities
- Dedicated media release/s

When determining the inclusions of each tier, don't forget to include the features and benefits for the Sponsor.

For example, the feature might be 'Naming Rights', but the benefit is 'increased brand recognition and goodwill throughout the region'.

Or, "Receive complimentary season tickets (feature): reward employee performance with free tickets and watch their loyalty and productivity increase' (benefit).



IN-KIND SPONSORSHIP

Clubs who require products and services should consider including an In-Kind Sponsorship option. This allows organisations to donate items for use, rather than financial donations. Determine the categories you might want Sponsorship for, such as:

- Office supplies, such as printing, stationery, technology, printers, etc
- Legal, accounting or business services
- Catering supplies or services
- Travel or accommodation
- Transportation services
- Medical services, especially for sporting clubs
- Media or promotional services

In-Kind Sponsors should also be acknowledged and receive a feature and benefit in return for their donation, such as logo display.

CATEGORY EXCLUSIVITY OR LIMITING SPONSORS

Category Exclusivity ensures that a Sponsor is the only company within its particular product or service category allowed at that level of Sponsorship.

For example, your club may offer a \$10,000 Platinum Sponsorship and the first organisation to take up the offer is an accounting firm. In this case, other accounting firms would be precluded from taking up this same Sponsorship level. They are, however, able to Sponsor other tiers.

Category Exclusivity can be applied to any or all tiers of Sponsorship, however, in general, it is usually applied only to the top tier of Sponsorship.

Category Exclusivity is a good way to ensure your many Sponsors aren't competing with each other. It can be an attractive selling point for Sponsors and makes the Sponsorship Package more valuable.

However, there are many organisations who have products across a number of categories. It is important in these instances to reach legal agreement on which industry their exclusivity relates to.

An alternative to Category Exclusivity is to limit the number of Sponsorships available in each tier. This is common practice with sporting clubs, who generally offer only ONE naming rights Sponsor. This must be detailed clearly on the Prospectus. As with Category Exclusivity, this also increases the value of the Sponsorship Package and can be more attractive for Sponsors. This generally only applies to the top tier or tiers of Sponsorship.



STEP 4: RESEARCH POTENTIAL SPONSORS

Once you know what you have to offer, you can start to research organisations who could become Sponsors.

When researching potential Sponsors, you will need to understand their needs, their target markets, their philosophies and their marketing objectives.

What industries/businesses align with your club's activities and/or ethos? When targeting potential Sponsors, it is important to determine if you are compatible. Your needs should match their needs.

The research phase can be time- and resource-consuming, but it will help you direct your activities more effectively, and save you time and effort later.

CREATE A WISH LIST OF SPONSORS

- Get to know and understand your club's target audience: What products and services do they use?
- Take a good look at your competitors: who has been successful with their Sponsorship programs? Who Sponsors their events, teams or organisation?
- What products and services would you recommend to someone else? This gives you an idea of where your brand loyalty lies
- Write down names of companies until you've got a nice healthy list – say 25 to 50 to start with. You can always add more as new ideas come to mind.

RESEARCH EACH OF THE SPONSORS

Once you have a wish list of Sponsors it is time to do some detailed research. You will need to obtain a good understanding of what makes the company tick and realistically assess the potential Sponsorship opportunities.



SOME AREAS TO RESEARCH INCLUDE:

- Company website: Go through websites in great detail and get to know them well.
- LinkedIn profile/s: Many companies and their staff have LinkedIn profiles. This can be a great way of discovering who you need to speak to and it also opens up networking opportunities. If you have a LinkedIn profile yourself you may find a colleague, client, supplier or friend who is connected to one of your target Sponsors.
- Other social media: Search on Facebook and Twitter to see what other people are saying about the company.
- Google: search for references to a company or brand. For larger organisations, limit the search to Western Australia location, or limit the results to the last 12 months. Do additional searches using additional keywords such as “Sponsor”, “Sponsorship”, “marketing”.
- Annual reports (for publicly listed companies). This will give you valuable information about how the company spends its money and what its priorities are.
- Local networks: check with your personal and business networks; they often have valuable information not found elsewhere. Word of mouth is still the most powerful and trusted communication method available.
- Key Personnel: Identify the right person in the organisation to send your Prospectus to. Don't waste your time with people who don't have the authority to approve the Sponsorship. If you haven't identified the right person using the research techniques above, a simple phone call usually does the trick!

STEP 5: DEVELOP YOUR SPONSORSHIP PROSPECTUS

With all the ground work behind you, you can now put together a winning Sponsorship package.

In fact, if the process has gone smoothly and you've followed the steps, this should be a relatively painless process.

COPYWRITING

Keep it short, sharp and to the point. Managers and business owners do not have the time to wade through lengthy documents, especially when they receive multiple documents from different clubs.

ALWAYS edit and proof-read to ensure every “i” is dotted and “T” is crossed. Ask someone who is proficient in English language and grammar to read it carefully. A badly written Prospectus, full of spelling and grammatical errors, tells the reader you are sloppy or don't care, and will absolutely damage your chances of obtaining Sponsors.



DESIGN

While it's essential to have great copy in your Prospectus, your club also need to make it look professional and enticing to a Sponsor. You need them to read through the whole document. That means using graphic design elements, such as logos, branding, images, and photographs.

These days, almost all clubs have members who are computer savvy and competent in using software such as Word or Publisher, or even Adobe. Publisher can be a great option for clubs with limited resources, as there are built-in template designs you can use and it is easy to use.

If you are really lucky, you might even have a member or friend or Sponsor who specialises in graphic design. If so, use them. (Don't forget to add them as an In-Kind Sponsor and give them their benefit in return.)

Where clubs do not have in-house resources available, it is worth investing in hiring a professional to design and layout the Prospectus for you. Although it might mean a financial outlay, it may also mean the difference between obtaining your Sponsorship or not, particularly if you are targetting organisations for the higher amounts.

If you have previous Sponsors, use photographs of any signage, events or branding that included their logo. For a sporting club, show the players with their logo-branded uniforms. Prospective Sponsors will appreciate being able to visualise how impressive their brand would look on a banner or advertisement.

NOTE:

There are countless options for formatting your Prospectus, limited only by your imagination and computer design skills. Some ideas may include:

- A4 document
- Foldable brochure
- Online 'book' format

While you can be creative as you design your Prospectus, keep in mind how you will be distributing it to your Prospective Sponsors, and what will best suit their needs (see Step 6).



STEP 6: MARKETING YOUR PROSPECTUS

Wow! What a fantastic Sponsorship Prospectus you have!

Now what are you going to do with it?

For many clubs, this can be the hardest part. Until now, most of your efforts have been done within your Club. Marketing and selling your Prospectus will require you to leave your comfort zone.

Issues for consideration:

PERSONNEL

Which member or members of your Club are going to do the marketing and selling? Who will approach potential Sponsors and ask them to sign up?

Do you have a Prospectus Committee? Or a Sponsorship Officer? Consider having a key person responsible for managing the project.

Make sure your club has enough resources to prepare, distribute and market the Prospectus properly. It is a time and resource consuming project, so make sure you have the personnel willing and able to help.

FORMAT AND DISTRIBUTION METHOD

Depending on how you have designed and formatted your Prospectus, there are many options for distributing it to potential Sponsors, including:

- Email
- Post
- Hand delivery
- Online
- Printed

In many cases, your club will want to consider several different distribution methods to get the maximum coverage.



TARGET THE RIGHT PERSON

When you send the Prospectus directly to a company, make sure you send it to the right person. Address the letter or email personally, and briefly outline the features and benefits to them.

In your letter or email, offer them a solution to a potential Sponsor problem. Lay out the key strengths of your club and the potential benefits to the Sponsor. Give an idea of the type of Sponsorship you are looking for and a monetary estimate for financial Sponsors.

Offer an opportunity and not a problem. Offer a solution to a potential Sponsor's problems, such as providing a bottom line saving or profit.

PUBLIC RELATIONS

You've done all this work, identifying and sending out the Prospectus to all the organisations you could think of. But what about the ones you haven't considered?

Get the message out to your community and beyond through effective public relations.

If you have a website, upload your Prospectus there. Email the link to everyone in your database and ask them to forward it to everyone in their networks.

Write a media release for the local or regional paper about your forthcoming project plans or your hopes for the coming sports season. News editors are always looking for stories, so call them and develop a relationship with them.

Create a Facebook page or Twitter account, or get on Instagram if your Club takes lots of photos. Social media is a fantastic (and free) way to get your message out there and build your networks. Don't forget to include the link to your Prospectus, and invite people to Share or Retweet.



STEP 7: FOLLOW UP AND SIGN THEM ON

THE FINAL STEP

Phone your potential Sponsors within a few days of sending the Prospectus. In all likelihood, they will NOT have read it yet, but you need to check they have actually received it, and you want to know that it didn't get thrown in the bin! At this stage, you won't get a response, but they may ask a question or two.

Allow enough time for them to read the Prospectus in detail, then phone again to follow up. If you can, visit them in person (make sure you dress professionally).

Be persistent, not a pest! It will take time for a potential Sponsor to understand and consider your Prospectus, before making a final decision. Use this time to develop a good relationship with them.

STEP 8: EVALUATION

Chances are your Sponsorship Prospectus will be rejected by some or many of the organisations you target. This is normal, so don't worry.

Where you can, ask for feedback on your Prospectus or a reason why it wasn't accepted. Most times, it will be an internal company decision for budgetary reasons, but you want to make sure it wasn't anything you did or didn't do.

Whatever the reason, learn from the experience, and if possible, continue to maintain the relationship. You can always try them again next time.

Don't ever burn your bridges!



POTENTIAL PITFALLS

YOUR MEMBERS

Your members are your biggest advocates. They are the face of your club and the reason for its existence. So, it is vitally important that your members are all supportive of the Prospectus.

Discuss the Prospectus at meetings to get everyone's feedback and input. If you can't convince your own membership on the benefits of a Sponsorship Prospectus, the chances are you won't convince potential Sponsors either.

CLUB PROCESSES AND CONTINUITY

Unfortunately, it happens in almost every club. Your enthusiastic committee works hard to prepare and develop a new programme, then the club officers change and the project loses traction.

A Prospectus is a legal document and therefore your Club has a **legal obligation** to fulfil the contract and deliver the promised items to your Sponsors.

Your Club needs to ensure that your processes are clearly defined and that committee handovers specifically deal with the issue of Sponsorship, so you have a smooth transition and continuity.

COMPLAINT HANDLING

Hopefully, with careful planning and a well written Prospectus you won't have to deal with this, but you should have a mechanism in place to deal with complaints and issues arising.