CORPORATE SPONSORSHIP AND MUNICIPALITIES!

City of Kelowna

Council Presentation

Monday June 13, 2016

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Sponsorship Specialists
www.partnershipgroup.ca

SESSION OVERVIEW

1. Defining corporate sponsorship versus advertising and philanthropy?

2. Industry trending – sponsorship overall as well as specific to municipalities and best practices

3. The "Six Steps to Sponsorship Success"

4. Questions and Discussion

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WHAT IS SPONSORSHIP?

"Sponsorship reaches people in an environment that matches their lifestyle rather than intrudes upon it. Sponsorships speaks to the public, not at them."

IEG Sponsorship Consultants

✓ Philanthropy

✓ Advertising

✓ Corporate Sponsorship

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CANADIAN INDUSTRY SIZE

Industry Size

-6.7% from 2013
+49.6% from 2006

2014 **$1.66B**

2013 **$1.77B**

2012 **$1.57B**

2011 **$1.59B**

2010 **$1.55B**

2009 **$1.43B**
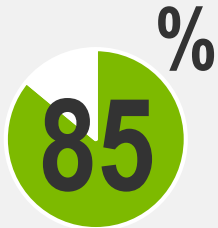
2008 **$1.39B**

2007 **$1.22B**

2006 **$1.11B**

MARKETING COMMUNICATIONS BUDGET

Approximately 1 in every 4 marketing communications dollars are spent on sponsorship.
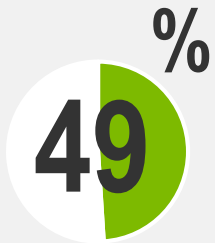
Sponsorship
Marketing
Budget

As a % of overall marketing communications budget

2014 2013 2012 2011 2010 2009 2008 2007 2006

16.7%
15.5%
15.4%
22.5%
22.3%
29.6%
21.9%
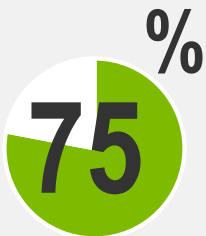23.1%
25.4%

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OPINIONS ON MUNI'S SPONSORSHIP

85% Companies should be able to **sponsor public spaces** such as hockey rinks, ball parks and recreational facilities

49% Companies should be able to **retitle existing buildings** named after prominent citizens or community benefactors

75% **No preferential treatment** for corporate sponsors of muni's – sponsorship and awarding of contracts should be separate

What are Canadian Municipalities Doing?

Canadian Municipal Benchmarking Survey on Sponsorship and Naming Rights

What are Canadian Municipalities Doing?

- 66% of municipalities are involved in some form of corporate engagement

- Almost 50% more municipalities in the naming rights game since 2013

- 47% have actively marketed their opportunities for over 5 years

- Most common assets are naming rights; then events then programs

What are Canadian Municipalities Doing?

- 94% of these identified municipalities in the game are actively seeking naming rights of which almost 2/3 have agreements in place

- Most common length or term for naming rights is 5-10 years – "perpetuity agreements" are now scarce

- Arenas, recreation complexes, pools and sports fields are the most common naming

What are Canadian Municipalities Doing?

- 55% of the municipalities have sponsorship centrally managed for the municipality and 45% allocate by department

- 62% have naming rights policy only in place

- 82% have sponsorship policy in place

- 43% have just advertising policy in place

- Many communities between 30,000 and 110,000 people have over a million in revenue potential annually

✓ 2013: 280 partnerships (sponsorships, joint ventures, donations and grants worth more than $5,000) generated $24.9 million to enhance existing programs and services
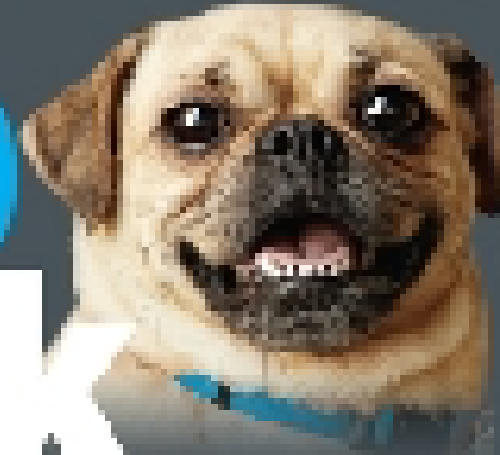
Bike Share Program
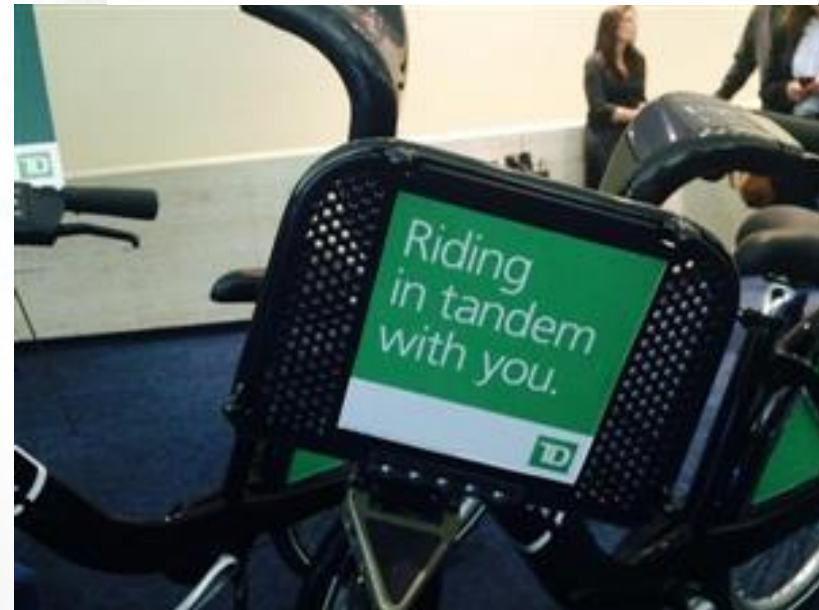
✓ Petsecure is the proud sponsor of Toronto Animal Services' Chip Truck, a mobile license and microchip clinic for your pets.

✓ Petsecure is Canada's oldest and largest pet insurance provider.

Jayman Aquatic Centre

✓ Secured Jayman Homes as a naming rights partner for the Aquatic Centre.

✓ The "Rock the Waves" fundraising capital campaign is a $10.6 million undertaking for a total $45 million project. Jayman is contributing $1.1 million over 10 years.
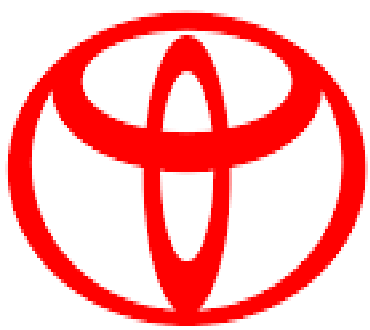
cochrane
HOW THE WEST IS NOW

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✓ Beyond funding for the contest and Awards ceremony, IBM offered access to technology, Subject Matter Experts, and software for contest participants.
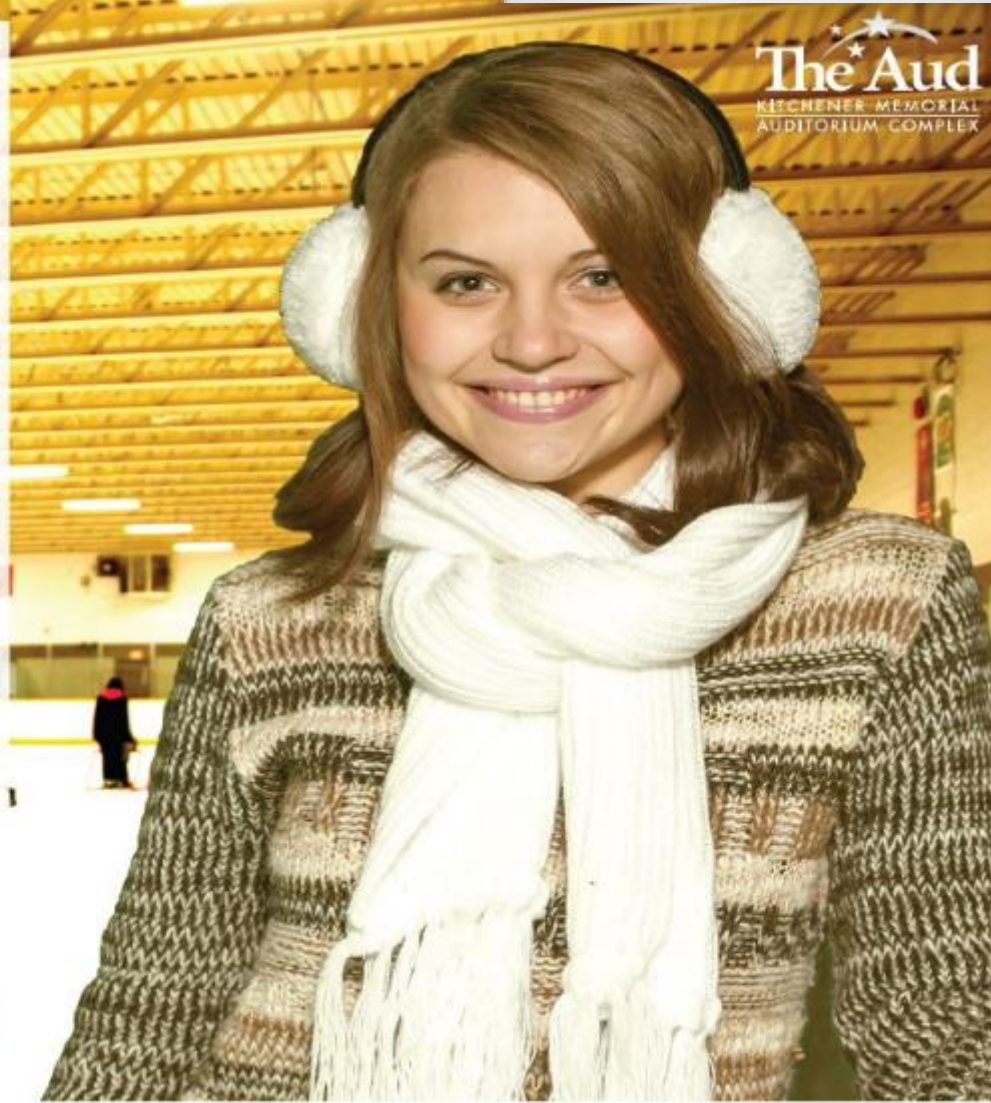
Community Clean-Up Programs

FRONT YARDS in Bloom™

✓ Recognize the efforts of all of our friends and neighbors' efforts to create more beautiful communities

THE CITY OF Edmonton

REALTORS®
Association of
Edmonton

REALTORS®
Here when life happens.

KAL TIRE PLACE

SIX STEPS TO SPONSORSHIP SUCCESS

1) Inventory Asset Valuation

2) Policy Development

3) Understanding Community Impact

4) Strategy and Model Development

5) Implementation of Policy, Strategy and Model

6) Fulfilment of Agreements

SIX STEPS TO SPONSORSHIP SUCCESS

1) Inventory Asset Valuation

- Critical to determine what you have to sell
- Essential to understand what those assets are worth individually
- Knowing what the potential revenue truly is and how it can be achieved

SIX STEPS TO SPONSORSHIP SUCCESS

2) Policy Development

- Critical to have policy specific to sponsorship in addition to advertising and naming rights etc.
- Necessary to make sure these all work in conjunction with each other and are up to date and have no conflicts
- Ensure policy is flexible to meet all departmental needs

SIX STEPS TO SPONSORSHIP SUCCESS

3) Understanding Community Impact

- Ensuring you have community input and education from the charities, non-profits and local businesses
- Raising the bar for sponsorship in the community at the grassroots levels
- Teaching the organizations to fish rather than continuing to feed them

SIX STEPS TO SPONSORSHIP SUCCESS

3) Understanding Community Impact

- Potential workshops for the community to ensure they can get better at what they do and understand the difference between advertising, sponsorship and donations / philanthropy
- The success of existing programs like ArtsVest in Kelowna is raising the bar and delivering results

SIX STEPS TO SPONSORSHIP SUCCESS

4) Strategy and Model Development

- Essential to have a full strategic plan in place looking at the sales model; fulfilment delivery, prospect development and timelines and staffing levels
- The average timeline for a sponsorship in Canada is 18-22 months

SIX STEPS TO SPONSORSHIP SUCCESS

4) Strategy and Model Development

- Looking at models for sales and considering all options
    - Presently sales firm selling advertising at Airport
    - Do you go with 100% outsourced sales method
    - There exists the option to bring everything in house
    - Alternatively it could be a hybrid of the above or transitional

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SIX STEPS TO SPONSORSHIP SUCCESS

5) Implementation of Policy, Strategy and Model

- Once the first four steps are complete it is time to put the theory into practice
- Critical to follow the strategy and not stray
- Ensure the policy is working and meets all stakeholder needs

SIX STEPS TO SPONSORSHIP SUCCESS

6) Fulfilment of Agreements

- Long term success and renewals depend on you delivering on what you promised to partners
- You are setting the bar for the community organizations to understand the need for fulfilment
- You need to ensure staffing levels are met in fulfilment

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WRAP UP

- You are well on your way to success

- One of 6 Steps done

- 3 of 6 Steps in the works

- You are reaching out for interaction, input and engagement

- The final two steps will come with Council consideration of policy, strategy and model

QUESTIONS & DISCUSSION

Thank You

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