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FUNDING ADVICE NEWSLETTER

Dear Friends

Corporate sponsors seem to be everywhere these days - just look at the Olympics or any major sporting event with all the logos plastered on uniforms and all around the sports arena. But although sponsorships work for BIG events, can they work for small projects and events?

There are two categories of events that are usually successful in securing sponsors: 1) large events that involve thousands of people and 2) events that have a specific focus. Sponsors like large events because they can reach a large audience at one shot. But events or organizations that have a specific focus or market segment are very important to sponsors who want to reach that particular target market.

The youth market is one of the most important target market segments for companies today so seeking corporate sponsorships is a very good way for youth organizations (Girl Guiding and Girl Scouting Associations!) to raise what they need, especially for summer camps and their weekly activities.

The nature of corporate giving has changed in the last 15 years or so. Companies have moved from making charitable contributions (these are getting smaller) as a PR/marketing tool to using corporate sponsorship as an important marketing tool for their public image.

The good news is that although companies' charity contributions budgets are shrinking, sponsorships come out of different corporate budgets, such as marketing, advertising and public relations and these seem to be growing.

Why are corporate sponsorships so popular? Quite simply, because it makes money. Done correctly, sponsorships can make a lot of money and build important relationships. However, done badly, they can cost money or worse, damage reputations and waste many people's time.

One important thing to remember is that corporate sponsorships are endorsements. The company's name is linked with your worthy cause or Girl Guiding and Girl Scouting, and you both get visibility. The company hopes that linking with your Association will encourage a positive public response, that people will like what the company is doing and as a result buy its product or use its services.

It is therefore important to be careful which companies you link your Association with. Certain companies that are keen to sponsor the youth market, like Nike and Adidas have had very damaging reports on how their products are produced in "sweatshops" in developing countries exploiting workers, especially women and children. Many people decided to boycott their products in protest.

Since then, Nike and Adidas have both spent a lot of money in the last few years trying to rebuild their image and claim that they no longer manufacture their products at factories that exploit workers. So, before you decide to link Girl Guiding and Girl Scouting and your reputation with a company, remember to do some background research to determine if this will be a *mutually beneficial partnership*.

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Understand also that "partnership" means that you should beware sponsors who try to "own" your project or event. For example a company that says, "You have to use only our software if we give you this financial donation". Basically, weigh the benefits and risks of associating with prospective sponsors carefully before you sign any agreements.

A sponsorship can turn out to be a much more substantial gift than a simple financial contribution. With a corporate sponsorship, you may get not only a small financial contribution for your project but also help with items that enhance the corporate image.

Sometimes, you may also get print and radio advertisements paid for by the corporation and access to corporate services like printing and logo or brochure design services.

In this newsletter, I will present a 6-step guide that offers some advice and guidelines on how to look for, approach and retain corporate sponsors.

But before that, remember this:

No matter what a company says about being community-minded, most businesses give primarily out of self-interest. Corporations are looking for ways to enhance their public image and for causes that relate to what they're doing. Remember, be a detective when seeking out corporate sponsorships.

So, let's begin....

Step 1: Determine your audience (so you know whom to approach)

Sending "blind" proposals to lots of companies usually does not work well. Knowing your audience will help you to make a list of which companies to approach.

Think of the following two questions:

1. How does the population (youth, parents, etc) you reach match the target population your corporate prospect is trying to reach?
2. How would aligning with your project / event benefit that company?

Of course, you are not going to be answering these questions for lots of companies. There simply isn't enough T.I.M.E. *You're looking for a company whose activities clearly fit with what you're doing and where you can get access to a decision-maker.*

Look at the way a corporation has positioned itself (look at its advertising, annual reports, etc). Look at how it has traditionally supported charitable/non-profit organizations. Ask yourself how you can fit in this approach. Look for medium-sized companies that sell consumer products and profile them. Ask yourself how their support for your Association would benefit their businesses. When you do this, you are developing your marketing plan for your Association's programme of activities.



Exercise 1 **How to Find Potential Corporate Sponsors**

There are many ways to find potential corporate sponsors for your events and activities. Most Companies however offer various corporate sponsorship programmes to the communities in which they operate.

Consider the following categories when you start to list all the corporate prospects in your area.

Large companies with broad-based customers, such as gas and electric utilities, insurance companies and banks that usually have community grant programmes.

Businesses that benefit from your Association's existence, ranging from companies that printed your last event programme, handbooks, the bus companies that you hire for transport for major events, suppliers of outdoor equipment and rugged clothes as well as neighbourhood businesses and producers of the food/drink that you use for your camps.

Local offices of regional and national companies that presently support youth organizations or charities (look at annual reports on the Internet and other public contributor lists)

Now check this list against your Association's current corporate donors and prospects lists to see which new names you have identified. Create a prospect profile of these newly identified companies.

Step 2: Setting Sponsorship Levels and Communicating HOW Your Association Can Help the Company

Sponsorship is a rapidly changing area. Companies have become more sophisticated and now realize that it's in their self-interest to give away their "philanthropic contributions" in ways that spotlight their products. But unless *you* explain the benefits of associating with your project or cause, the chances are the company won't figure them out. How do you do this?

It is good idea to set a wide range of sponsorship levels so that smaller businesses in the neighbourhood as well as larger companies can find a level that suits their needs and budget. If your event is quite small, your basic-level sponsors could simply be offered a small ad in the accompanying programme or flyer for € 50. For larger events, sponsor levels could begin at € 200, € 500, or even € 1.000. Depending on audience size and publicity opportunities, cost of a "title" sponsorship could range from € 750 to € 10.000. "Title" sponsors are the main sponsors who receive maximum publicity and their logo should appear on ALL publicity materials.

Be prepared to be flexible and customize levels for some sponsors to meet their marketing needs. For example, some sponsors may be interested in half cash and half in-kind (donating their products or things) sponsorship. Food and drinks companies usually want a table or space available to distribute their products.



Depending on your event here are some benefits you may wish to consider offering your sponsors:

Publicity / Presence Marketing

1. Sponsor banner displayed at event
2. Sponsor name announced at event
3. Dinner table supported by sponsor (i.e. each person at the table receives a promotional item and leaflet from the sponsor and maybe the sponsor's logo is displayed on the table)
4. Small sponsor logo or banner displayed on the podium
5. Sponsor's name or logo in your newsletter
6. Sponsor's name and logo in your advertisements and posters of the event
7. Sponsor's ad in your programme/brochure of your project (advertisement size can range from business-card size to full-page)
8. Sponsor's logo on your website - can include a hotlink to their site
9. Sponsor's logo on t-shirts
10. Sponsor's products distributed/displayed/used at your event
11. Category exclusivity (a guarantee to sponsors that once they sign on, none of their competitors will be allowed to sponsor)

Apart from offering the obvious opportunities for publicity and presence marketing or product distribution, you could also consider offering other benefits such as networking opportunities, community outreach opportunities and other benefits to their employees as follows:

Networking Opportunities

12. if key government officials are attending your event, invite top executives from the Sponsor to attend the event or host a special reception at the event

Community Outreach and other Employee Benefits

13. employees of the Sponsor company could work with your Girl Guides and Girl Scouts on a special project/event to learn from one another and develop leadership and other skills
14. experts from your project could give a talk or share their expertise with the Sponsor's employees
15. offer volunteer opportunities which pairs employees and families with your Girl Guiding and Girl Scouting programmes in a philanthropic exchange

You should base your sponsor levels on the benefits to the company. Put a price on each benefit you plan to offer and add the prices in each level. This will give you an idea how to price the sponsorship at each level. If you repeat an event every year, make sure the benefits at each level are enticing enough to encourage previous sponsors to move up a level in the following year.

Step 3: Approaching a company for Sponsorship

Call local businesses to find out if they're interested in reaching your "market" - young people. When you begin your conversation, focus on how the company will benefit, not that you need their money. For example,

"Hello, My name is <<Insert your name>> from <<Insert your Association>>. I thought you might be interested in marketing your company's products/services at an upcoming event we are hosting. Do you have a few seconds?"



Exercise 2 : How to Make a Telephone "Pitch" to a Company

Draft a script for a telephone call to your top prospects inquiring about sponsorship opportunities. In a few sentences - 20 seconds OR LESS (the time you would have on the phone), explain the event, audience and some benefits to the company.

If they are interested you can always go into more details or send more information. What would you tell them about your organization? How would you proceed to present the benefits of sponsorship?

Part of the challenge is locating the right person in the company to hear your case for sponsorship. Each corporation's organization chart is different, so talk to the public affairs office first. Find out who is in charge of marketing and special events - ask who is the company's PR agency or advertising agency. Generally speaking the corporate giving officer is not the person who handles sponsorships.

If you target small or medium-sized companies as opposed to a huge one, you will probably speak to the owners of these businesses. For big corporations, it may also be useful to market your project initially on two fronts - to the company and to the advertising / PR agency. Be sure also to pay attention to their area of focus - some companies make commitments to only sponsor certain activities like children or environmental projects.

Once you find the right person to approach, start making phone calls and sending material that builds credibility for your project and shows how associating with it can help the company.

Obviously the best approach is to start at the top. Talk to your Board, staff and volunteers. Investigate their ideas and connections. If you know someone who knows the head of the company, start there. Work your way down to the right person.

If it's a company you think you have a good chance with but do not know anyone who has a top contact there, then start exploring on your own. Talk to a number of different people. Ask each one whom you should be speaking with at the company. Who handles advertising inside the company? Who handles their PR / advertising - is it an outside company? If so, who handles this company's account in the PR/ advertising agency? And who deals with sponsorships in the PR / advertising company? Try contacting these advertising and PR companies to see if they think any of their clients might be interested in your project or event.

Once you've made all these phone calls, review your notes and prepare a list of companies you will approach. Yes, this takes a lot of TIME but instead of sending hundreds of "blind" proposals, you will only send out a dozen proposals to companies who have already expressed some interest in your project.

Step 4: Writing a Sponsorship Proposal

After you have confirmed that a company has giving interests that match your project, study the grant application procedure if there is one. Otherwise, write a proposal using your Association's letterhead.

As with your phone call, concentrate on the exposure the company will receive for their money, not on how the money will help you. It is important to customise the letter so that sponsors feel you are asking money specifically from their company and they're not just part of a massive mailing exercise.



A good attention-getter is attaching a Post-it on the cover that says *"Thank you for speaking with me. Here is the information for our event"*.

With the size and type of company in mind, request a particular level of sponsorship from each potential sponsor. Make sure sponsor benefits are easily found in your letter and that they are easy to understand. Consider using bullet points to make the benefits stand out.

If any government officials are opening your event or attending a reception at your event, mention this as a networking opportunity for top executives.

Make sure your name and contact numbers, the date and location of the event and address(es) to send in-kind donations or the bank details to which money transfers have to be made are clear. If your project is a joint activity involving several partner organizations, be clear in your proposal WHO will receive the donation and be responsible for it. Always make sure the company is not confused about your project.

If you have any kind of charitable status in your country that gives your sponsors tax exemptions, be sure to say so in your letter, as some companies only sponsor such organizations.

If your letter doesn't include a short description of what your Association does, write two paragraphs or a few bullet points on this, or include a Fact Sheet or brochure if you have one. Finally include a chart or brochure that details sponsor benefits at each level. If this is the second time you are organizing an event, include a leaflet, which lists sponsors and a short description of the previous event.

Your project will stand a much better chance of getting funded if donors have a clear understanding of your activities and your needs. The challenge is to make your case quickly and clearly. Companies are usually inundated with hundreds of requests for support each year; so no matter how worthy your cause, you have only a brief opportunity to make your case before they have to move on to the next proposal.

Step 5: Follow-up

After receiving your letter, some companies may call you to indicate their interest in sponsoring your project or event. Most will not. Don't be afraid to call potential sponsors 2-3 weeks after sending out your proposal to find out their thoughts.

Some companies will request a meeting but most sponsorship communication is done by phone or e-mail. An example of a follow-up call is as follows:

"Hello. My name is <<Insert your name>> from <<Insert your Association>>. I am calling to follow-up on the sponsorship request I sent. Do you have a few seconds?"

If they don't, ask when would be a better time to call back. Make sure you do call back at the specified time. If they say yes, your response might be, "Do you have any questions? Does it look like something you would be interested in for this year?" If they are not interested, try to find out why not. It is a good practice to keep notes of your contacts with potential sponsors so you remember next time not to re-contact companies that are definitely not interested.



Step 6: Cultivating a Relationship with Sponsors

One of the worst messages you can send to a sponsor is to “disappear” as soon as you have their money. Make sure sponsors see that you value and recognize their support.

A) Before an Event

Once a company has agreed to be a sponsor, send them a thank you letter that confirms the benefits of the level of sponsorship they have chosen. After you receive the cash or in-kind sponsorship items, send another thank you letter confirming that you have received their generous support. If you have a newsletter or annual report, put them on the mailing list. If you don't have a newsletter, do try to send them periodic updates of what your Association is doing.

Special Note: Cultivating Non-sponsors

As your event draws near, send some invitation to companies that did not sponsor this time because their annual budget had already been depleted, etc. Add a little note “Even though you were not able to sponsor us this year, we hope you will attending or volunteering during this event.” Hopefully, an employee from the company may attend and see what a wonderful event it is and make sure that money is budgeted for your sponsorship in the next year!

B) During the Event

Give your sponsors plenty of publicity. That is usually why sponsors sign up to sponsor events and projects so make sure they get everything promised! If you can give them added publicity by announcing their names, etc all the better.

C) After the Event

Send thank you letters to sponsors after the event with a few paragraphs to let them know how successful the event was and that you could not have done it without their support. Mention the final amounts of money raised, final number of participants, numbers of young people who benefited from the event, etc.

For title sponsors, and if possible, for all sponsors, put together a publicity pack that showcases the publicity they received from the event. Include copies of all advertisements and publicity materials that carried their logo, photos of their banners at the event and people using their products at the event, etc.

Do take the opportunity to give them a call to find out if they received the pack and whether they are satisfied with the results they received for the sponsorship.

Even after the last thank you letter has been sent, make sure your sponsors continue to receive annual reports, newsletters or periodic updates on your activities. Invite them to other events during the year as guests. Build a relationship and do not just ignore them and only contact them when you need their sponsorship again.



Conclusion

I hope the above guide has been useful to you. It is by no means a definitive guide to secure corporate sponsorship but I hope for many of you it will be a starting point and encourage you to think of alternative and new ways to raise funds for your activities.

It can only be to our benefit to work with each other and to learn from one another's perspectives, mistakes and successes. So do share your experiences in fundraising or indicate the areas of funding that would be of interest to you. All comments, enquiries or suggestions are welcome and should be sent to:

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Thank you.



Excerpt from The Fundraising Planner

AVOIDABLE ERRORS

Here are some undesirable but common reaction to fundraising and sponsorship request, each of which represents a key piece of information you need to present in your proposal. Each reaction is followed by a suggestion for avoiding the error that caused it.

1. **"I read the proposal twice and still don't understand it."** Be clear about your project proposal and highlight the merits of your project as simply and clearly as possible.
2. **"It's not clear what this organization does."** What's your mission? State it briefly and clearly.
3. **"Why did this organization contact me?"** Does your Mission fit in with this company's charitable purpose? If so, tell the people reading your proposal WHY it's a perfect fit. If it's not a perfect fit, don't waste your time and their time unless you have a high-level friend who is closely connected to the funder's Board. In this case, you can have your contact to introduce your organization's funding request.
4. **"What distinguishes this sponsorship request?"** What makes your project special? Emphasize why your project stands out so that the people evaluating it will never ask this question.
5. **"Is this request from a certified non-profit organization?"** Most companies only give to organizations that have a not-for-profit legal status. Be sure to prove your group is legitimate.
6. **"Is this organization credible?"** Once interested in your project, a company may want to know who else is supporting your efforts. If you can, include a list of supporter reference information to add credibility to your organization and your project.
7. **"How much do they want?"** How much do you need to make your project happen? Do not ask for excessive amounts of sponsorship. Be sure to include a project budget that supports your request for a specific amount.
8. **"This is the first we've heard from this organization since we funded them last year."** Keep all donors including corporate sponsors informed of your project and your organization. As obvious as this may sound, you need a follow-up plan in order to avoid giving donors that love them and leave them feeling and to increase your chances of getting them to fund your activities in the future.



WHERE TO LOOK FOR CORPORATE SPONSORSHIP

Corporate Sponsors - Financial Support

Banks - all major national banks
Insurance Companies - AXA, ING, etc
Utilities (Gas, Electricity and Water providers)
Telecommunications, Mobile and Internet Service Providers
Airline/Train/Bus Companies - your national airline and train companies

Sponsors of Gifts in Kind

Consumer Products Companies - Procter & Gamble, Unilever, etc
Food / Drink Manufacturers
Sports Goods Manufacturers
Computer Companies - IBM, Microsoft, Hewlett Packard, Dell, Toshiba, etc
Pharmaceutical Companies - Glaxo Wellcome, SmithKline Beecham, Roche, Bayer, Johnson & Johnson, Novartis, etc
Transport Companies - National Express, Eurolines, etc

Don't forget...

Businesses in your neighbourhood that profit from your presence
Restaurants / Bakeries
Sports Centers
Etc