



STRENGTHENING THE SECTOR

A business support and development
programme for cultural organisations
in Belfast

Sponsorship Toolkit



Belfast
City Council

Introduction

Private Sector Sponsorship has evolved from high profile deals that involved naming rights to innovative and exciting partnerships that bring arts and business together to create mutually beneficial long term relationships. This toolkit is designed to complement a Sponsorship Clinic facilitated by:

- Brona Whittaker, Arts & Business Northern Ireland
- Gillian Orr, Ulster Bank
- Jenni Barclay, Belfast Harbour
- Julie Sherlock, Translink
- Michael Johnston, Carson McDowell Solicitors
- Wayne Nickels, Cunningham Coates Stockbrokers
- Christina Adams, Tughans Solicitors
- Neil Holland, Balcas

The sponsorship clinic (held in April 2015) looked at the future of sponsorship and creative partnerships and this toolkit is designed to support those conversations and provide a useful framework from which to develop a sponsorship proposal. The toolkit contains a FAQ section, a Step-by-Step Guide to Creating a Sponsorship Proposal, an Expert Interview, Glossary, and a list of Further Resources.

Sponsorship FAQ's

Why do companies sponsor arts organisations?

Unlike corporate funding or donations, sponsorship is more like a business transaction, companies sponsor arts organisations in order to achieve a specific objective this might be around PR or Corporate Social Responsibility. Sponsorship money often comes from a company's marketing or advertising budget and will be provided to organisations that can raise the profile and change or maintain how the public feel about a company, product or service. The company will want to gain specific returns on the money they invest in sponsorship; this might include publicity, credibility, public approval and employee or community engagement.

What's the difference between sponsorship and partnership?

Sponsorship agreements come in many shapes and sizes from a short term or one off deal between a company and an arts organisation, to an ongoing, long-term agreement. Increasingly companies are keen to develop sponsorship partnerships, rather than sponsoring an established event or programme. This provides arts organisations with opportunities to develop new ways of working, gain access to new markets, and research and develop creative content.

What can you offer a sponsor in return for their support?

Arts organisations can provide a unique, and valuable platform for private sector companies to fulfil marketing, PR, Corporate Social Responsibility, staff development and innovation targets. Unlike fundraising, which focuses on "need", the premise of brokering successful sponsorship deals is on the "offer" - what your organisation can do for a company, in essence they are clients not funders.

What is sponsorship in kind?

Sponsorship in kind can be defined as any formal non-financial support that is provided to an arts organisation from a private sector company. Sponsorship in kind provides arts organisations with access to skills, equipment and audiences that they would struggle to gain access to on their own. This might include access to PR or legal support, free venue hire, or event promotion to the company's clientele. Sponsorship in kind can be a valuable way to grow or sustain the work of arts organisations especially in times of funding cuts.

How do you develop a successful sponsorship partnership?

Personality and brand affinity are key to starting a conversation with potential new sponsors, this might include inviting them for a venue tour or to attend one of your events. Once a sponsor's interest has been piqued, the conversation should become more structured, with the arts organisations taking the lead by highlighting the value and impact of sponsorship. Developing a written sponsorship agreement, which outlines the responsibilities of each party, the length of the partnership, and how the sponsorship will be evaluated can help ensure that the partnership is mutually beneficial for both parties.

Developing a Sponsorship Proposal

A Step-by-Step Guide

A sponsorship proposal is a concise, factual and evidence based document that demonstrates why it makes business sense to sponsor your organisation or project. It helps to frame your value proposition and align what your organisation can offer a company if they sponsor your work.

1. Introduce your organisation and project that you are seeking sponsorship for.

- Keep this short and concise.
- Your organisations “Case for Support” document will provide a good foundation for this section of your proposal (see toolkit 1 in this series for info on how to develop a Case for Support).

2. Marketing Plan

- Outline planned marketing activities (include: Print, TV Digital + name drop companies that will be supporting your marketing activities from graphic designers to digital agencies).
- Outline the reach of planned marketing activities.
- Evidence previous successful marketing campaigns to demonstrate precedence. If you can use headline figures and visuals for example screen shoots, or magazine layouts.



3. Sponsorship Relevance

- This is your opportunity to show that you've researched the company, you can do this well with a brief statement about the company and their current work – for example “having recently expanded”, “we know you are keen to engage with young people as part of your CSR policy”, “As you are invested in raising awareness of environmental issues” “We know that (company name) is committed to delivering financial literacy training in the community” etc. etc.
- Having identified the need, outline how your project helps to fulfil that need.
- The emphasis of this section is solutions focussed, what you can do to help this company fulfil a challenge they are currently facing.

4. Sponsorship Benefits

- This is your opportunity to outline different sponsorship options and the benefits of each option.
- This could include sole naming rights, joint naming rights, sponsoring an individual artist, or programme, sponsoring an event, sponsoring an element of an event - for example a post show production.
- Don't provide too many options – three options is usually a good guide, this allows the company to see that you can be flexible and creative in your sponsorship offer.
- These are a guide – and you can note at the end of this section, that you would be happy to tailor a sponsorship package to the company.



5. Investment

- In this section you need to outline financial options for sponsorship. It might be that for a larger fee you can offer the company sole sponsorship rights, but for a lesser fee you can offer joint sponsorship rights.
- This section should be presented in a factual, financially measured way that shows that your organisation is business savvy and knows the value of its work.

6. Sponsorship Meeting – Sampling

- When submitting a sponsorship proposal it is a good idea to suggest a meeting, site visit, venue tour, or attending a performance to the company you are pitching to. Allowing them to sample your product will breathe life into your proposal, and provides a scheduled opportunity to follow up. The “sampling” experience should be linked to the proposal, and the sponsorship offer.
- Outline what your product sampling experience will look like, and who will host the meeting:



7. Sponsorship Agreement

- A sponsorship agreement is a contract that outlines the roles and contributions of both partners in a sponsorship.
- Arts and Business have produced a useful template document that will help you create a relevant and tailored document for your organisation.

<http://culturehive.co.uk/resources/writing-a-sponsorship-partnership-agreement>

8. Managing a Sponsorship Partnership

- Signing a sponsorship agreement is the start rather than the end of the sponsorship process.
- It's important that all members of staff recognise the value of sponsors – and view them as important clients – from marketing staff to Front of House Staff. Providing a staff briefing is a useful way to get your entire team on board.
- It's important to speak with your sponsor regularly, and carry out a post partnership evaluation. Ultimately a happy sponsor will become one of your biggest cheerleaders.
- A company may invest money in your work, but for the partnership to be a success you must invest time in managing this relationship.
- Outline how and who will be responsible for managing sponsor relations:

Expert Insight

[Arthur O'Brien]

Arthur O'Brien is a Partner at KPMG. He is based in Belfast and provides audit and advisory services to a wide range of public and private sector clients.

“We don't expect a fully developed proposal at the first meeting but it's good to have an outline proposal – clarity about what you need and what you can give us.”

As a partner at KPMG, Arthur was central to the development of a mutually beneficially sponsorship partnership between KPMG and the Royal Ulster Academy. In this interview Arthur shares his advice on developing a successful sponsorship partnership and provides valuable insight into what a potential sponsor is looking for both in terms of artistic quality and business returns. This insight is a helpful framing tool for any organisation seeking to develop an effective sponsorship proposal.



“The Academy was able to offer us something that met our objectives – it’s as simple as that! We are the main sponsor of their Annual Exhibition – which is the longest established (and most visited) visual arts exhibition in Northern Ireland. This gives us a great opportunity to entertain clients in a relaxed atmosphere and gives them the opportunity to support local artists by buying their art.”

Tell us a bit about how this sponsorship partnership was developed: Arts & Business NI actually facilitated the sponsorship. We wanted to enter into a sponsorship and had some basic objectives of what we wanted to achieve by having a partnership. These objectives were:

- Find an organisation whose activities would sit effortlessly alongside the KPMG brand
- Promote the KPMG brand.
- Provide an opportunity to engage with clients/potential clients/and the wider community.
- Enhance the firm’s existing CSR activities.

So we approached Arts and Business to see how they could help. They then took on board what we needed and brought the 2 organisations together. That makes it sound quite simplistic – however it did take time and effort to get there.

Why did KPMG decide to sponsor the RUA? The Academy was able to offer us something that met our objectives – it’s as simple as that! We are the main sponsor of their Annual Exhibition – which is the longest established (and most visited) visual arts exhibition in Northern Ireland. This gives us a great opportunity to entertain clients...

...in a relaxed atmosphere and gives them the opportunity to support local artists by buying their art. Crucially, though the outreach programme of the RUA, also supported by Arts & Business NI, means that we could also connect with some local schools which are also part of our CSR programme and with our staff who support those other programmes. So it was an excellent fit.

How does this sponsorship fit within your broader corporate social responsibility strategy? This has been an important part of the sponsorship. Like many large professional services firms KPMG has a very clearly defined CSR strategy which highlights a responsibility to make a difference in the communities in which we operate and encourage our people to support and participate in CSR activities. Our sponsorship has allowed us to enhance some of our existing CSR work and Arts & Business NI has helped immensely with this. The Academy works hard to ensure that there is a full education and outreach programme during the Annual Exhibition. However funding from the Arts & Business NI Investment...



“Put it on paper – talking off the cuff can show spontaneity and a real understanding of your business but it’s also good to have some written back-up and something to leave behind after the meeting so that we don’t forget about you!

Programme has allowed KPMG to work with the Academy to develop projects tailored specifically to our CSR requirements. This has taken a number of forms from developing specific projects for primary school children from disadvantaged areas in Belfast to one with a focus on the wider community. This year’s project has been developed for KPMG staff participation but will also benefit the wider community.

What, in the eyes of KPMG makes a successful sponsorship partnership?

- A genuine interest in what the arts organisation is all about. This partnership would not have worked if we had absolutely no interest in the visual arts.
- An understanding of what each organisation needs from the partnership.
- Open and honest communication.
- A willingness to commit time to the partnership. It’s not enough to think that responsibility ends when the sponsorship cheque is posted. We work closely and regularly with our RUA colleagues to make the partnership work.

What do you look for in an organisation that is seeking sponsorship?

We look for a number of things and there are probably too many to list here.

- An understanding of our business and what we need to deliver
- A commitment to delivering agreed targets
- A clear commitment to constantly improving what we do
- A synergy between the two brands
- And again open and honest communication

Also it’s worth mentioning that many of those points are equally relevant to the business partner.

What’s your top tip for an arts organisation that is approaching a company for the first time to discuss sponsorship?

Be prepared. From the outset we want a potential partner to have some understanding of our business. It seems like pure common sense but there have been many occasions when it has been obvious that the organisation hasn’t done any research on our business.

Glossary

Sponsorship

“Technically, the act of supporting charitable activity by pledging an agreed sum of money in advance. In practice it is a two-way beneficial (but not benevolent) "business" deal between commerce and the arts/heritage, designed as part of an individual company's marketing strategy... The private sector is currently trying to move on from the narrow "sponsorship" legacy and mindset, preferring rather to promote a more dynamic concept of partnership. Cultural organisations need to be confident in what they bring to the (time-limited) deal, and not "sell" what they offer too cheaply under the mistaken belief that they are asking for "charity".¹

Support in Kind

Support that comes from private sector companies in the form of goods and services rather than cash, this can include professional services such as marketing, legal or HR support, venue hire, or equipment hire.

Corporate social responsibility

Responsible businesses are increasingly aware of their role within the community, and many have a defined Corporate Social Responsibility (CSR) policy, this can cover community engagement, environmental impact, and supporting emerging professionals.

Sponsorship Agreement

This agreement is a written contract that outlines a sponsorship deal as a business transaction. It details agreed activities, sponsorship benefits, a timeline, and financial details.

Employee Engagement

“Employee engagement is a workplace approach designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of well-being”.²

Value Proposition

Taking the premise that sponsorship is not a donation, it is instead a business transaction based on value, it's important to identify your value proposition – what you can offer a sponsor, and what the value of that offer is. There are several areas in which the arts can uniquely generate a high return on investment (ROI), namely - Access to a target audience, brand alignment, sponsor appreciation, and employee engagement.

Return on Investment (ROI)

This is a term used to measure the returns on money spent. This return can be financial (increased sales), or PR (increased brand awareness), Marketing (Increased web or social media traffic).

¹ <http://www.labforculture.org/en/funding/contents/glossary#46>

² <http://www.engageforsuccess.org/about/what-is-employee-engagement/>

Further Resources

“Sponsorship Revisited”, Roberta Comunian (2014)

<http://www.artsprofessional.co.uk/magazine/277/article/sponsorship-revisited>

“The Strategic Direction in Corporate Partnerships: Practical Implications for the Arts”, Australia Business Arts Foundation (2001)

http://arts.gov.au/sites/default/files/pdfs/The_Strategic_Direction_in_Corporate_Sponsorships_-_Implications_for_the_Arts.pdf

“Risky Business: An Investigation of Sponsorship Marketing Risk”, Margaret Johnston, Neil Paulsen, The University of Queensland Business School (2006)

http://www.anzmac.org/conference_archive/2006/documents/Johnston_Margaret.pdf

“Should Britain's arts organisations accept more corporate sponsorship? What are the implications of corporations sponsoring the arts?”, Susannah Butter, The New Statesman (2011)

<http://www.newstatesman.com/blogs/cultural-capital/2011/02/arts-corporate-corporations>

“Arts Sponsorship Toolkit” Business and Arts South Africa (2013)

http://www.basa.co.za/wp-content/uploads/2013/06/BASA011_Artist-toolkit-2013_Copyright.pdf

“What is Culture’s Value of Our Corporate Sponsors” Matthew Caines, The Guardian (2012)

<http://www.theguardian.com/culture-professionals-network/culture-professionals-blog/2012/may/29/corporate-sponsorship-arts-culture-value>

“Writing a Sponsorship Agreement” Arts & Business (2009)

<http://culturehive.co.uk/resources/writing-a-sponsorship-partnership-agreement>

“Sponsoring the Arts: What’s in it for Business?” Arts & Business (2009)

<http://culturehive.co.uk/resources/sponsoring-the-arts-whats-in-it-for-business>

“Fundraising Factsheet: Five Steps to Arts Sponsorship” Arts & Business (2009)

<http://culturehive.co.uk/wp-content/uploads/2014/03/AB-5-five-steps-to-sponsorship.pdf>

“Sponsorship: Collaboration between Marketing and Development Teams”, Marah Winn-Moon (2013)

<http://culturehive.co.uk/wp-content/uploads/2013/09/Sponsorship-marketing-and-development-teams-collaborating.pdf>

Further Support:

For further information on sponsorship contact Arts & Business NI. Arts & Business NI promotes, develops and sustains mutually beneficial partnerships between business and the arts.

One of their key programmes is specifically designed to support the development of sponsorship partnership. The Investment programme is an open application scheme designed to support businesses and the arts organisations they sponsor to try something new, or to broaden and deepen an existing partnership. Through it they are keen to encourage inspirational, sustainable partnerships between commerce and culture to maximize the benefits of working together.

<http://www.artsandbusinessni.org.uk/arts-andamp-business-ni-investment-programme/>

Notes:

Toolkit produced by Dr Oonagh Murphy
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