

# 10 ways to ensure sponsorships don't turn your business into a charity

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## **Don't listen to the boss' family**

Often traditional sponsorships come as a result of influence from family members outside the business. Every activity should support the objectives of the business, for example through brand awareness, business development, community involvement, client hospitality or employee morale. There is a definite advantage in doing something people care about but make sure it is good for business too.

2

## **Go into it with your eyes open**

Before signing any agreements, make sure you have discussions with your key stakeholders and ensure the sponsored organisation is fully aware of your goals. Don't stop at the initial meeting. Schedule formal reviews, not just one over a beer, to make sure everything is heading in the right direction.

3

## **Be selfish**

Make sure you know what things you value. For example, you may know you'll struggle to fill multiple hospitality spaces but other sponsors are potential clients – negotiate activities that help you build business partnerships with them. If there's something additional you can do for the sponsored organisation, for example, give them access to your client list, then build this in and you may get more for your money. Ideally, the use of your product/service should be part of the deal.

4

## **Challenge yourself – regularly**

Make sure you have objectives for what you want to achieve for all sizes of sponsorship. Many sponsorships get renewed year on year with no real thought about continually adding value. Basic goals like sales and quoting opportunities can be supplemented by goals such as media profile and client involvement. Even for established sponsorships, challenge your business to do more each year.

5

## **Money doesn't buy you love**

Simply giving money to an organisation and expecting a solid return does not work. Get involved, work closely with the organisation and give it some love. The people in the organisation you are sponsoring always do more to help companies who are genuinely interested in their own goals and activities. However, if the sponsored organisation isn't showing much interest in supporting your goals too, then get that formal review meeting done early!

## Sponsorships take up time and money, so you need to make sure they are adding value to the business. By Nick Hill

Most insurance brokers get involved in some kind of sponsorship activity. Whether it is the local footy team, an industry association or a charity, there are a number of fundamental things companies should do to get a better return for their business.

Don't try to take on too many sponsorships, however big or small, but spend time making them work for everyone – employees, the business,

the sponsored organisation and the community. Continually look to reinvigorate the sponsorship and follow the approaches outlined below, to deliver an increased return.

Don't be afraid to cut a sponsorship that is not providing sustained benefit. If you have had a close dialogue with the organisation they will understand, and maybe you can get added kudos by helping them find a new partner who can make the sponsorship work. ✓



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# 6

### Isolation is not splendid

Sponsorships should integrate with your marketing and business development strategy. They can help other parts of the business and vice versa. For example, every organisation you sponsor should be giving you a reference to help portray your credibility to prospects. Check whether the organisation you sponsor has close links to another that you can prospect.

# 7

### Invest additional resources

All successful sponsorships invest additional resources, for example, by paying for employees to attend the organisation's meetings/functions, direct marketing campaigns or supporting advertising and signage. A rule of thumb is to invest at least one dollar for every dollar you spend on a sponsorship. Successful sponsoring organisations, like Emirates, spend as much as three dollars for every dollar they invest in a sponsorship deal.

# 8

### Be specific

Many industry association/scheme type sponsorships give money back to the national and state bodies. Try channelling these into a specific project they are planning. This should give you the opportunity to get additional value and adds accountability. For example, sponsoring a health and safety initiative may raise your profile and show members that your support is focused on benefiting them – not just the administration.

# 9

### Use the ruler

Having an objective is great, but if you have no idea whether it has been met, why bother in the first place. Use measurement as a tool to base review meetings on, justify ongoing spending and look at how things should work going forward.

# 10

### I didn't know we did that

It is all too easy to look at sponsorship activities in terms of just growing the business. Don't forget the employees, as they can boost the impact of a sponsorship or damage it if they are not interested/involved. Some level of employee apathy is normal, so make sure senior executives show enthusiasm at all times and create a buzz in the office. A celebrity appearance is great for clients, but it would be really fantastic if they came to the office as well.