

Strategy Guide: Event Sponsorships

Event sponsorships are a tricky animal for an organization just starting to solicit them. Here are some starting guidelines to get the ball rolling.

First: Data Collection!

Review Current In-Kind Sponsors

Do you have any companies that are providing free (or discounted) services or products to your event? These are called in-kind sponsors. From free food to free publicity, you want to make sure that as you start looking for event sponsorships you don't alienate those already supporting your event. Make a list of who's donating services or goods and estimate what it would cost if you had to pay for it out of pocket.

Review Your Budget

Sort your budget from the most expensive cost to the smallest. What are your biggest expenses? Food? Venue? Speaker fees? Transportation? Commemorative sweatshirts? These are what we're going to want to tackle first for sponsorships.

With that little bit of data collection, you have a full picture of your event: both what you are currently paying, but also what you would be paying if you didn't have any in-kind sponsors. The goal from here is either to find someone to give you cash to pay for those things or for someone to provide something for free, thus reducing the budget item.

Finding Sponsors

Start Close and Start Early

As said in *The Little Book of Gold*, it's very difficult to both tell someone about your organization while also asking them for money. The same holds true for soliciting event sponsors. You want to start with those who are already pre-disposed to like you and want to give to you. In this case, that means current donors.

Look for current donors who own a business or have a high position at a business (preferably in the marketing or management end). Those who give are going to be more likely to give through their business.

I recommend starting nine months to a full year before the event. It is just too common to make a big ask and hear, "We would love to sponsor you, but it's just not in this year's budget." Asking early means you can get put into the budget.

That means that at least a year before, you would do well to make a list of businesses you want to target for sponsorship. Just like with major gifts, expect to strike out more often than not, so make a big list.

After going through current donors with businesses, check over your contact list for non-donors who own businesses (event sponsorship can be a good way in the door for new donors). After

that, you'll want to brainstorm businesses that your donors use. If you have a high ticket price, local law firms, insurance companies, accounting firms, banks, real estate companies, and other professional firms would all have an interest in reaching potential clients. If you don't have a high ticket price, event sponsorships will be harder, but more general companies can be good sponsors.

Ask your board for help here. Send the list of companies you've come up with so far and see if a board member has a contact and could make an introduction for you. Also ask them to volunteer other companies where they have contacts who they think might be a good sponsor.

Set The "Top Spot"

The Smallville Historical Society Auction, presented by Smallville Bank. Smallville Bank presents the 12th Annual Smallville Historical Society Auction. Either way, for the privilege of being the top "presenting" sponsor, Smallville Bank should be expected to pay a lot of money for the privilege of being at the top. But what to set it at? Especially since whatever you value the top sponsorship at will determine all the lower benefits.

Here's a really good way to start thinking about it. Looking at your budget, determine what the biggest expense is, then round up. For example, let's say the biggest line item you have is food and beverage costs of \$8,500. If someone were willing to donate that food and beverage in-kind, that would be *huge* right? After all, it's your biggest expense. So figure that you'd give the "top spot" to a company who donated \$8,500 worth of food (or some other combination of goods and services) or wrote you a check for that amount. And, since \$8,500 is an odd number, let's round up to a full \$10,000. So the top spot we will value at \$10,000, but would be willing to accept as low as \$8,500 if we had to.

Now that you have the value set, you'll want to determine what you can give for it. Some common options:

- Company name as presenting sponsor
- Logo on all invitations and print collateral
- Link and logo on event webpage
- Logo displayed on rotating video screen or banner at event
- A table or two at the event reserved for the company
- "Introduction" privileges (this means that you will introduce them and say nice things about them and their business and they will get up and then introduce the main speaker at the event)
- Inclusion of company brochure in a take-away bag or at tables
- Invitation to a special pre-event (where applicable)
- Recognition in the Annual Report

There are other benefits non-profits give companies, but these are some of the most common.

Now that you have a sense of what you're asking and what you can give, divide by two. If your top spot is \$10,000, then the next level is probably \$5,000, and it should have roughly half the benefits. Divide in half again and set the next level.

Unless your top level is *really* high, you probably don't want to divide again, because at some point your sponsorship level will start conflicting with ticket prices. (Consider that if you have a \$100 ticket price, and one of the benefits of a sponsorship level is that a company gets to fill a table of 10 at your event, they are getting \$1,000 worth of benefits. Price the sponsorship too low, and suddenly the company is getting a really good deal on their sponsorship. They should certainly feel that they are getting something good for their money. But don't forget: it's still a *gift*. Don't load the benefits with too many goodies.

Now that you have your levels, a designer should lay out a folder that shows them as clearly and nicely as possible. Paying \$500 to get a really good looking brochure designed and printed is a great deal if it helps you get a \$5,000 or a \$10,000 sponsor.

How to Ask

Businesses give for three different reasons:

1. It reduces their tax liability
2. It's good marketing
3. They like what you do and want to support it

Don't go in to an ask and forget reason number three. No matter what you still need to make the case for the good your organization does. Why are you worth giving to? It's as important of a question as what you are offering the business in exchange for their sponsorship.

Get In Touch

As you begin, remember to treat the business just like you would a donor. That means not surprising them with an ask out of the blue. Either you or a board member should pick up the phone (it's more personal than an email) and lay the groundwork. You should cover, as appropriate, the successes of your organization, the success of past events, and any plans already in the works for the next event.

It doesn't have to do much more than just tell the potential sponsor, "I'd like to come by your office some time and show you some of the event sponsorship opportunities we have for our annual breakfast. I think the Smallville Bank could really be a great community partner for the Historical Society."

If they invite you to come, great! If not, that's OK, too.

The Meeting

Don't go in to the meeting and just lay out the different levels and ask, "Which sounds best?" Go in with a goal. You probably have an off-the-cuff idea of what a company can afford to spend, based on that company's current advertising, the number of people they employ, or other events they've sponsored. Make an educated guess and aim for it.

Take with you print collateral from previous events, photos or video of previous events, the sponsorship level brochure, and any information you have ready to go on the next event, plus any of your standard literature on your organization.

After the introductions, lay out the good the organization does. It's still important to focus on *why* you're raising money. It's not for the event, it's for the kids/arts/environment/etc.

Then talk about the event and why it's so valuable to helping your organization meet its goals, why people love coming year after year, and how great your donors are.

From there, you'll want to say that you've developed some sponsorship levels. Mention any levels that are currently filled, and then start describing in detail the benefits of the level you're asking for. Just like in the book, I recommend memorizing your ask line. A good example might be: "Would the Smallville Bank be interested in joining us as a sponsor at the \$10,000 level?"

And just like with donors, your job here is to not say anything. It's up to the potential sponsor to talk next.

Most likely, they will defer an answer. And that's absolutely all right. "That sounds fine. I totally understand. I do want you to know, though, that the Save the Date card goes out at the end of June, so in order to be included on it, we'd need to know by early June." Whatever the specifics, you should be prepared to give a general date of when you need to know appropriate to the level you're asking.

Leave the literature for them to review.

Follow Up

Write an email within a day or two thanking everyone for their time. After that, I'd wait about two weeks before calling and following up. "Hi Susan, I hope you had a chance to look things over since we met. Is there any other information that's occurred to you since the meeting that might be helpful to your decision?"

It's not uncommon that you just won't get an answer. Yes, they're interested, but they just don't know and have to talk to corporate (or whatever). After a few friendly phone calls, let it go. It's likely not going to happen.

If you do get a definite no, you will likely hear, "It's just not in this year's marketing budget." Lay the groundwork for the next year: "I completely understand. If it's something that you feel would be a good fit for your company, I hope that you can keep it in mind as you plan for next year."

And finally, don't be at all surprised if you get a sponsorship for less than you asked for. Be excited! You'll probably fill most of your event spots this way (with the obvious exception of the top spot, of course).

Managing the Sponsor

Once they've agreed, send over a "contract." This is a one page document. It should contain something to the effect of:

The Smallville Bank will sponsor the Smallville Historical Society Auction as a Silver Sponsor for \$5,000, of which \$4,000 is a donation.

In exchange for this sponsorship the Historical Society will provide [put the list of benefits here].

Since a portion of a sponsorship has a determined value, that part of the sponsorship is not tax-deductible. You should discuss with an accountant what portion is tax deductible for your event. Most likely, at least the portion of the sponsorship that covers the ticket prices (if you're offering that) is not part of the gift.

You and the business owner or manager should each sign the document and you should try to get a check on the spot. If not, get it in writing when the payment will be received. And, as soon as possible, get a logo from the sponsor so that you're not searching for it at the last minute.

Do What You Promised

Whatever your promised in the contract, DO IT! The easiest event sponsor is one you've already had.

Final Notes

Some stray thoughts:

It's all right to have more than one sponsor at the top level. If you ever have three of them, then plan to make a big increase in the price of the top sponsorship the next year and try to bump one of them up.

It's also all right not to have a top sponsor. Don't be tempted to bump up someone from a middle level to the top level. After all, if they got the benefits of the top level for half the price, they'll try to get it again the next year too.